1-1-1980

An examination of the formulas by which federal funds are allocated to the states for three federal student financial aid programs : their history, their present form, and several proposed alternatives.

David Allen Sartwell
University of Massachusetts Amherst

AN EXAMINATION OF THE FORMULAS BY WHICH FEDERAL FUNDS ARE ALLOCATED TO THE STATES FOR THREE FEDERAL STUDENT FINANCIAL AID PROGRAMS: THEIR HISTORY, THEIR PRESENT FORM, AND SEVERAL PROPOSED ALTERNATIVES

A Dissertation Presented

By

DAVID ALLEN SARTWELL

Submitted to the Graduate School of the
University of Massachusetts in partial fulfillment
of the requirements for the degree of

DOCTOR OF EDUCATION

MAY 1980

Education

AN EXAMINATION OF THE FORMULAS BY WHICH FEDERAL FUNDS ARE ALLOCATED TO THE STATES FOR THREE FEDERAL STUDENT FINANCIAL AID PROGRAMS: THEIR HISTORY, THEIR PRESENT FORM, AND SEVERAL PROPOSED ALTERNATIVES

A Dissertation Presented

By

DAVID ALLEN SARTWELL

Approved as to style and content by:

Dr. Arthur Eve, Chairperson of Committee

Dr. Oswald Tippo, Member

Dr. John Lederle, Member

George E. Uhl
for Mario Fantini

Dr. Fantini, Dean

ACKNOWLEDGMENTS

I am deeply indebted to Dr. Arthur Eve who gave me the chance to produce this work. In the time we spent together, the dissertation became the exercise, but our conversations and exchanges became the real learning experience. He, along with Dr. Tippo and Dr. Lederle, helped me look at higher education from different perspectives, challenged me when needed, forced me to examine and explore when ignorant, and above all, showed me the shades of grey when I was sure of black and white.

This work would not have been started or finished without the sympathetic understanding and encouragement of my loving wife, Mary, the work space and clerical help provided me by Mr. and Mrs. Graves, and other help provided me by Betty Hunt, Rose Osborne, and Deborah McDonald. To them all I owe an enduring appreciation.

ABSTRACT

AN EXAMINATION OF THE FORMULAS BY WHICH FEDERAL FUNDS ARE ALLOCATED TO THE STATES FOR THREE FEDERAL STUDENT FINANCIAL AID PROGRAMS: THEIR HISTORY, THEIR PRESENT FORM, AND SEVERAL PROPOSED ALTERNATIVES

MAY 1980

David Allen Sartwell, A.S., Champlain College,

B.A., Goddard College, M.A., University of Vermont,

Ed.D., University of Massachusetts

Directed by: Dr. Arthur Eve

Over the past forty years the federal government has become deeply involved in the funding of student financial aid. In fact, starting with the National Youth Administration of the 1930's, it has grown to become an $11,000,000,000 a year industry, comprising seven major programs, dozens of smaller ones, and, as is typical with most federal programs, mounds of paperwork.

In spite of this massive outpouring of federal student aid dollars there are still many capable students being denied a post-secondary education because of a lack of resources to meet the ever-rising costs of that education. Although some have suggested that the answer to this problem is for the Congress to simply appropriate more money for these programs, there are many professional financial aid

officers who feel that many more students could be aided under the current appropriation levels if the inequities and inefficiencies of the present distribution system could be corrected. Coming under increasing attack especially is the process of distribution used for the National Direct Student Loan Program (N.D.S.L.), the College Work/Study Program (C.W.S.), and the Supplementary Educational Opportunity Grant Program (S.E.O.G.).

This study sought to:

(1) examine the history of the federal student financial aid legislation to determine as clearly as possible how we arrived at the present allocation system;

(2) describe in detail the formulas by which the funds are allocated to the states for the National Direct Student Loan, the College Work/Study, and the Supplemental Educational Opportunity Grant programs;

(3) examine fully the factors which constitute the three different formulas;

(4) describe existing weaknesses in the formulas, if any;

(5) examine several distribution alternatives; and

(6) draw conclusions and make recommendations where appropriate.

After examining the formulas used to distribute the funds in the National Direct Student Loan, College Work/Study, and Supplemental Educational Opportunity Grant programs, this study has found that the present state allotment system does not distribute the available funds in an equitable manner. It has been demonstrated that a student could receive widely different financial aid packages simply because he chose to go to college in one state rather than another.

After an examination of the formulas and several alternatives this study has concluded that the C.Y.S.E.O.G. program presently being used represents the best practical alternative for the distribution of all of the campus-based federal financial aid programs. It appears to be the formula that most clearly responds to demonstrated financial need of the students rather than other more artificial measures.

And finally, it is obvious that the present system of distribution needs to be re-examined by the Congress to insure that the student financial aid funds in these three programs are being expended in the manner that best meets the financial needs of the low and middle-income students of this country.

TABLE OF CONTENTS

LIST OF GRAPHS

Preface

> Can we continue to permit the accidents of birthplace and race and the uneven economic resources of our states to determine educational opportunity? ...Higher Education in the United States has always been untidy; it will probably never be an orderly house; surely, however, it has now reached a point at which it can take a responsible inventory of its resources for student aid, make some effort to understand their historical and philosophical foundations and tendencies, and undertake a new and bold adventure in subsidies for wisdom, investments in democracy.[1]

---

[1] Frederick Rudolph, "The Origins of Student Aid in the United States", Student Financial Aid and National Purpose (Princeton: College Entrance Examination Board, 1962), p. 11.

CHAPTER I

OUTLINE AND INTRODUCTION

A General Statement of the Problem

"Today, the denial of equal opportunity for higher education is also the denial of equal access to full partnership in American Society."[2]

Over the past forty years the federal government has become deeply involved in the funding of student financial aid. In fact, starting with the National Youth Administration of the 1930's, it has grown to become an $11,000,000,000 a year industry, comprising seven major programs, dozens of smaller ones, and, as is typical with most federal programs, mounds of paperwork.

In spite of this massive outpouring of federal student aid dollars there are still many capable students being denied a post-secondary education because of lack of resources to meet

---

[2]Carnegie Commission, A Chance to Learn: An Action for Equal Opportunity in Higher Education (New York: McGraw-Hill, 1980), p. 27.

the ever-rising costs of that education.[3] Although some have suggested that the answer to this problem is for the Congress to simply appropriate more money for these programs, there are many professional financial aid officers who feel that many more students could be aided under the current appropriation levels if the inequities and inefficiencies of the present distribution system could be corrected. Coming under increasing attack especially is the process of distribution used for the National Direct Student Loan Program (N.D.S.L.), the College Work/Study Program (C.W.S.), and the Supplementary Educational Opportunity Grant Program (S.E.O.G.).

The funds for these three programs flow from the Congress to the students in basically a four-step process. First, the funds for the programs are appropriated by the Congress. After the appropriations are made, they are given to the Division of Student Financial Aid, Bureau of Student Financial Assistance in the Department of H.E.W. for distribution and administration.

From there the funds are distributed among the States using a set of formulas that are distinct for each program.

---

[3]See Alice Rivlin, Toward a Long-Range Plan for Federal Financial Support for Higher Education (Washington, D.C.: U.S. Government Printing Office, Jan. 1969); Allan M. Cartter, "Student Financial Aid", Universal Higher Education: Cost and Benefits (Washington, D.C.: American Council on Education, 1971); Carnegie Commission, Quality and Equality: New Levels of Federal Responsibility for Higher Education (New York: McGraw-Hill, 1968); Carnegie Commission, Higher Education: Who Pays, Who Benefits, Who Should Pay? (New York: McGraw-Hill, 1973).

Once these funds are divided among the States, the colleges within each state apply for the funds. Using a complex and complicated application form designed by the Division of Student Financial Aid, each college is compared to the others in that state in terms of the relative financial need of its present and anticipated students. The funds are then allocated to the colleges.

After the colleges receive their share of the state dollars, the funds are distributed to the students. The students apply for these funds using a standardized form that helps the financial aid officer at that institution determine each student's relative financial need. Following the statutes and regulations governing these programs, the funds are then distributed by the colleges to the students who have demonstrated financial need.

The preceding outline is a simplification of a very complex process. There seems to be sufficient data available, however, to give at least some credence to the growing criticism that the process previously described does not distribute the funds in these programs in a manner that either accomplishes the intent of the Congress when it legislated them into existence, or in a way that treats all of the recipients of these funds in a fair and equitable manner. It would appear that students with similar financial abilities are given financial aid packages that are significantly different among colleges in the same state and among colleges in different states.

The intent of the Congress for these programs has been made fairly clear. For example, in Sec. 101 of the National Defense Education Act of 1958, which created the National Defense Student Loan Program, it states that:

> We must increase our efforts to identify and educate more of the talent of our Nation. This requires programs that will give assurance that no student of ability will be denied an opportunity for higher education because of financial need; will correct as rapidly as possible the existing imbalances in our educational programs.[4]

The purpose of the Educational Opportunity Grant Program, which eventually became the Supplemental Educational Opportunity Grant Program, as stated in the law was to:

> ...provide, through institutions of higher education, educational opportunity grants to assist in making available the benefits of higher education to qualified high school graduates of exceptional financial need, who for the lack of financial means of their own or of their families would be unable to obtain such benefits without such aid.[5]

Similar comments were made in the legislation enacting the College Work/Study Program. However, in the opinion of many financial aid directors the distribution system prescribed by the legislation and the Division of Student Financial Aid regulations

---

[4] P. L. 85-864, National Defense Education Act of 1958, (1958).

[5] P. L. 89-329, The Higher Education Act of 1965, (1965).

subvert the stated goal of equal educational opportunity for financially needy students.

> If you understand how the system works," says P. Jerome Cunningham, Director of Financial Aid at Wesleyan University, "you understand why students complain that they are offered substantially different aid packages by colleges and universities to which they apply. It is not just how much money students actually need that decides how much they get. I don't like the word 'grantsmanship,' but that's precisely what it is. The people who have been around the longest and who know the most make off with the largest share. You listen to the federal government and the regional offices, and figure out how they are going to do it--how they are going to hand out the funds--and you play the game.[6]

Even those in charge of administering the system on the national level are aware of some of the defects.

> ...the present allotment system is subject to abuse, and is in fact abused by institutions practicing grantsmanship and inflating their request to compensate for expected reductions in state allocations. In the words of the Comptroller General of the United States, the present system is "not equitable." The result is an unfair and differing impact on like individuals in different states, a characteristic hardly in keeping with Federal Programs intended to bring about nationwide equity.[7]

In her article, "Playing the Student Aid Game," Anne Roark sums up the suspicions of many by stating:

> The reason for the inequities is clear to most financial aid officers. The process of getting government aid

---

[6]Anne Roark, "Playing the Student Aid Game," The Chronicle of Higher Education, October 17, 1977, pp. 6-7.

[7]Lois D. Rice and Lawrence Gladieux, Title IV of the Higher Education Act: A Technical Analysis of Six Student Financial Aid Programs (Washington: College Entrance Examination Board, 1974), p. 15.

> and disbursing it to hundreds of thousands of students a year is a highly complex political game, particularly among those who play it well.
>
> It involves "manipulating the system" to get the biggest possible share of the limited funds available from the federal government.[8]

If the above statements are true, the deciding factors of whether or not a student receives an adequate financial aid package may rest with allotment formulas used by the federal government to disburse the financial aid to the states (hereafter known as the state allotment formulas) and/or the grantsmanship skill of the financial aid officer of the college the student plans to attend rather than his or her real financial need.

---

[8] Roark, p. 6.

Objectives of the Study

For some time there has been a pressing need to study the whole distribution system to determine whether or not the federal financial aid funds in these three programs are being equitably distributed to the neediest of students. For all of the anger and concern this issue has generated in financial aid circles, there has been remarkably little scholarly research done on the question. Because of the magnitude of the problem it is not possible in one dissertation to examine in depth the whole process. However, it is possible to divide the problem into parts and examine one of those parts in detail.

As has been previously explained, once the funds have been appropriated by the Congress for these three programs, they are allocated to the states by means of three different formulas. As all the funds flow through this little understood but crucial process and as much of the criticism of the whole process centers around this part, it is the purpose of this investigation to determine whether or not the process through which the states are allocated funds under the C.W.S., N.D.S.L., and S.E.O.G. programs insures an equitable distribution of appropriated funds that promotes equal educational opportunity for all eligible financially needy students. To make this determination it will be necessary to:

(1) examine the history of the federal student financial aid

legislation to determine as clearly as possible how we arrived at the present allocation system;

(2) describe in detail the formulas by which the funds are allocated to the states;

(3) examine fully the factors which constitute the three different formulas;

(4) describe existing weaknesses in the formulas, if any;

(5) examine several distribution alternatives; and

(6) draw conclusions and make recommendations where appropriate.

Organization of the Dissertation

This investigation will be divided into essentially five parts.

(1) An Introduction to the Problem: This section will include an overview of the problem along with the objectives of the study and method of investigation. It will also contain a statement of limitations, a list of terms to be used, as well as the design to be followed.

(2) The History: This section will show in some detail the history of the federal student financial aid programs, concentrating especially on the National Direct Student Loan program, the College Work/Study program, and the Supplementary Educational Opportunity Grant program. The intent of this part is to show how the present system of federal student financial aid programs was developed and to describe as accurately as possible the reasons why these programs were implemented.

(3) The State Allotment Formulas: In this section the formulas used to distribute to the States the funds appropriated by the Congress for the National Direct Student Loan program, the College Work/Study program, and the Supplementary Educational Opportunity Grant program will be examined in detail. Included in this examination will be an explanation of how the present system works, how the formulas differ from one another, the effects of the ten per cent discretionary provision, the significance of the

factors that comprise the different formulas, and an analysis of some of the strengths and weaknesses of the formulas as they are presently constructed.

(4) The Alternatives: This section of the dissertation will be devoted to the study of several possible alternatives to the existing allotment formulas. Each program formula will be applied to the other two programs to see what the effects would have been to the funds distributed to the States. For example, the formula for the National Direct Student Loan program will be applied to the College Work/Study program and then to the Supplementary Educational Opportunity Grant program to show what would have been the funds allocated to the States under the latter two programs using the N.D.S.L. formula.

Also, using the data available on the distribution of the funds to the States in the Basic Educational Opportunity Grant program, a study will be made to show what the effects would have been if the funds of the N.D.S.L., S.E.O.G., and C.W.S. programs had been distributed to the States in the same ratios.

In addition, a study will be made to show how the funds for these three programs would have been distributed if they had been divided among the States based on the final recommended funding levels produced by the Tripartite Application.

Various charts, graphs, and other data display techniques will be used where appropriate to demonstrate as clearly as possible these several alternatives and the effects the implementation of

these alternatives would have on the distribution of the funds to the States in these three programs.

(5) Summary, Conclusions, and Recommendations: The last part of this dissertation will summarize the data produced by this study, outline some conclusions, and list some specific recommendations. It will also include suggestions for further research to shed more light on this complex and important issue.

Delimitations

Because of the importance of this whole distribution process that allocates the federal student financial aid funds from the Congress to the financially needy students of this country, it is important to understand the constraints placed on the design of this study.

1. This investigation is limited to the study of the state allotment formulas used to distribute to the States the funds appropriated by the Congress for the National Direct Student Loan Program, the Supplemental Educational Opportunity Grant Program, and the College Work/Study Program.

2. As has already been explained, the distribution process for the funds for these three programs occurs in basically a four-step sequence. This investigation focuses on only one part, albeit an important one, of the whole process. To insure that the funds are equitably distributed among the country's financially needy students this step must be properly executed. However, because there are three other steps involved, the proper execution of this one step may not necessarily insure the equity of the whole process.

Definition of Terms

National Direct Student Loan Program: a program of low-interest, long term, deferred loan programs at post-secondary institutions to provide loans to students with demonstrated financial need. Available to both graduate and undergraduate students enrolled as at least a half-time student.

Supplementary Educational Opportunity Grant Program: a program established to make grants to qualified students who demonstrate by using a standardized needs analysis that they or their families can only provide less than half of their total costs of education. Available to only undergraduate students enrolled as at least a half-time student.

College Work/Study Program: the purpose of this program is to stimulate and promote part-time employment for those students in financial need. Available to both undergraduate and graduate students enrolled as at least a half-time student.

Basic Educational Opportunity Grant Program: a grant program for undergraduates only that awards grants of up to $1400 to students attending college at least half-time. To qualify, a student applies directly to the federal government on a standardized form.

State Allotment Formulas: The funds appropriated by the Congress for the National Direct Student Loan, College Work/Study, and Supplemental Educational Opportunity Grant programs are allocated

to the states by means of three separate formulas. These formulas will be amplified at length in this study.

Tripartite Application: the application the colleges fill out to describe the financial needs of their eligible students. Using this application, the funds allotted to the states are distributed among the colleges by the Division of Student Financial Support.

Fiscal Operations Report: a yearly report required of each college by the Division of Student Financial Support that reports in detail the expenditures made under each of the N.D.S.L., S.E.O.G., and C.W.S. programs.

"Campus-based Programs: a term used to describe the N.D.S.L., S.E.O.G., and C.W.S. programs because the students must apply to the "campuses" for the funds.

Needs Analysis: The process by which the economic well-being of the student and his/her family is measured and then subtracted from the appropriate student expense budget to arrive at the amount of money necessary for the student to meet the cost of his/her education.

Student Expense Budget: a budget that includes items such as tuition, room and board, books, travel, miscellaneous expenses.

Family Contribution: an estimate of the financial ability of the student and his/her family to contribute to the student's education.

Financial Need: the result of subtracting the family contribution from the student expense budget.

Family Financial Statement: the standardized form a family completes which is used to estimate their economic well-being.

Financial Aid Package: the combination of resources that may include grants, loans, and work to meet the student's financial need.

Capital Contribution: the amount of money the federal government allocates to the colleges in the N.D.S.L. program to lend to students.

Social Security Student Benefits: benefits that go to the family of a student who is eligible for such benefits, is between the age of 18 and 22, and is enrolled as a full-time student.

Recommended Funding Level: the total federal dollars requested by all of the colleges in a state for the three "campus-based" programs.

State Percentage: the ratio of the state allocation for each program when compared to the recommended funding level of all the colleges in that state in each campus-based program.

Guaranteed Student Loan Program: a program to provide low-interest student loans to help students meet the cost of their

education. Using private loan capital supplied by commercial lenders with repayment guaranteed by the federal government.

Ten Per Cent Discretionary Allowance: Ten per cent of the appropriations for the N.D.S.L., S.E.O.G., C.W.S. programs is set aside for the Commissioner of the Office of Education to distribute to the states whose allocation under the state allotment formulas is less than their allotment for the fiscal year 1972 to raise their allocation to that level. Any funds remaining will be distributed at the Commissioner's discretion. This issue will be discussed at length later in the dissertation.

Regional Review Process: a panel of personnel familiar with the application process is convened once a year at the Office of Education regional offices to review the institutional applications for funds for the three campus-based programs. The panel recommends levels of program operation for each program for each college in the region to the Office of Student Financial Support and sends a Notification of Regional Review Action to each institution.

CHAPTER II

A BRIEF HISTORY OF STUDENT FINANCIAL AID

Woodrow Wilson once wrote that any piece of congressional legislation"... is an aggregate, not a simple production. It is impossible to tell how many persons' opinions and influences have entered into its composition."[1]

Early Ventures

Over the course of our nation's first century of existence the local, state, and federal governments sought to encourage education in a number of ways. Although concentrating mainly on helping elementary and secondary education, there were some early attempts by different governmental units to help some of the colleges that were struggling for survival.[2] The first large scale federal effort, however, came with the passage of the Morrill Act of 1862. Using a technique developed in Europe of granting large

---

[1]Woodrow Wilson, Congressional Government (Cleveland: World Publishing Company, 1961), p. 208.

[2]For a more thorough outline of these early efforts see Frederick Rudolph, The American College and University; Hofstadter and Smith, American Higher Education: A Documentary History; Norman Beck, A History of Student Financial Aids (An unpublished dissertation; E. J. James, Origins of the Land Grant Act of 1862; B. F. Andrews, Land Grant Act of 1862 and Land Grant Colleges.

blocks of land[3] (of which this new country had plenty) this legislation provided each state with a source of revenue to be used to support its colleges.

"Section 4. And be it further enacted, that all moneys derived from the sale of lands aforesaid by the States to which the lands are apportioned, and from the sales of land scrip hereinbefore provided for, shall be invested in stocks of the United States or of the States, or some other safe stocks, yielding not less than five per centum upon the par value of said stocks; and that the moneys so invested shall consitute a perpetual fund, the capital of which shall remain forever undiminished (except so far as may be provided in section five of this act), and the interest of which shall be inviolably appropriated by each State which may take and claim the benefit of this act, to the endowment, support, and maintenance of at least one college where the leading object shall be, without excluding other scientific classical studies, and including military tactics, to teach such branches of learning as are related to agriculture and the mechanical arts, in such manner as the legislatures of the States may respectively prescribe, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions in life..."[4]

According to Hofstadter and Smith in their introduction to this document, the Morrill Act of 1862, "...not only created land-grant colleges but gave a powerful impulse to the movement of state universities."[5]

In 1890 the colleges again were aided by the second Morrill Act that provided for an annual appropriation of Federal funds. Also, an appropriation was passed to start several colleges

---

[3]Edward Danforth Eddy, Jr., Colleges for Our Land and Time: The Land Grant Idea in American Education (New York: Harper and Brothers Publishers, 1956), pp. 14-22.

[4]Hofstadter and Smith, p. 568.

[5]Ibid, p. 568.

for black students. There were several other less important measures that passed during this time that had some impact on higher education.[6]

It is important to point out here that although the intent of many of these early pieces of legislation was to enhance the possibilities of young people in this nation to attend college, almost all of these efforts were directed at supporting the institutions directly. Apparently the thought behind the process was that if the colleges were available and the fees for attendance kept relatively low, then all capable students would be able to attend. Also, funds were being appropriated to help colleges meet the manpower needs the Congress felt were important, namely in the fields of agriculture and technology. However, the fact still remained that the students who attended these colleges tended to come from the upper class.

The first student-oriented Federal education bill was, ironically enough, not passed primarily to put students into college as a philosophical goal but was a measure to keep college-age students

---

[6]The Hatch Act of 1887, the Smith-Lever Act of 1914, the Smith-Hughes Act of 1917, and others were passed by Congress to help support higher education. For further background reading see Ross, Democracy's College; and Rudolph, The American College and University.

out of the job market of the depression of the 1930's.[7] A student work program was started in 1933 to provide college students with part-time jobs to give them the aid necessary to stay in college and out of the already depressed labor market. Administered first by the Federal Emergency Relief Administration and then in 1935 by the National Youth Administration this program in ten years spent over $93,000,000 on the higher education of 630,000 students. Although motivated by temporary economic conditions, this program worked extremely well in helping students meet the cost of education. This program became the model for the College Work/Study Program enacted thirty years later.[8]

During the early 1940's the colleges were to serve the nation in quite a different way.

"In World War II the government turned to the colleges and universities as it had in World War I, for assistance with military training programs for which special knowledge was essential. The programs returned students to the campuses and made use of

---

[7]For further background reading see Mitchell, Depression Decade; Rauch, History of the New Deal; Wecter, Age of Great Depression; and White, Social Aspects of Relief Policies in the Depression. Although money from programs like the Public Works Administration and the Work Project Administration flowed to education for the renovation of old buildings or the construction of new ones, these were institutionally-oriented programs intended to put workers on the job rather than support students.

[8]John S. Brubacher and Rudy Willis, Higher Education in Transition: A History of American Colleges and Universities, 1636-1976, 3rd ed. (New York: Harper and Row, 1976), p. 230. For further background reading see National Youth Administration, Final Report for 1936-1943; Williams, Administration and Program Operation of the N.Y.A., 1935-37; Lindley, New Deal for Youth; and Johnson and Harvey, National Youth Administration.

facilities and faculties. They were at times crucial to the institutions, especially those that suffered a heavy loss of enrollment."[9]

At the close of World War II thousands of young men and women were being discharged from the various services. Again mainly as a tool to keep people out of a depressed job market and to a smaller degree in response to the growing demand for funds for higher education, the Congress passed the Serviceman's Readjustment Act of 1944. This program when combined with the veterans's education bills of the Korean, Cold and Vietnam Wars represents the largest student aid program in our nation's history. The impact of this program on the democratizing of higher education in this country has been profound. For the first time education was financially available to a group of students who had never before been able to afford the cost of attending college. The students educated during this era with these benefits had much to do with promulgating the later proposals for grant, work, and loan aid for students who were not veterans.

The bill was remarkably successful. The students eligible were happy because they could now afford to go to college, the colleges were happy because they could fill their classrooms with paying students, and lastly, Congress was happy because this program kept thousands out of the labor force.

---

[9]Robert D. Calkins, "Government Support of Higher Education," Financing Higher Education, 1960-1970 (New York: McGraw-Hill Book Co., Inc., 1959), p. 188.

However, the program "... definitely did not signify a final and purposeful national commitment to the principle of continuing Federal aid for all deserving college students, non-veteran as well as veteran."[10]

The colleges were soon flooded with these students, but almost as quickly this surge died down. In 1947 "... nearly one-half of the total enrollment in the colleges and universities was receiving benefits under this Act. By 1953, this percentage had fallen to 6.1 percent."[11] The Korean War, Cold War, and Vietnam Wars produced new veterans who took advantage of the appropriate laws that entitled them to various stipends to pay the cost of their education. As can be seen from graph II-A, this program has had its ups and downs over the past thirty years, but it is also obvious that it has been the funnel through which billions of dollars have flowed to the post-secondary institutions of this country.

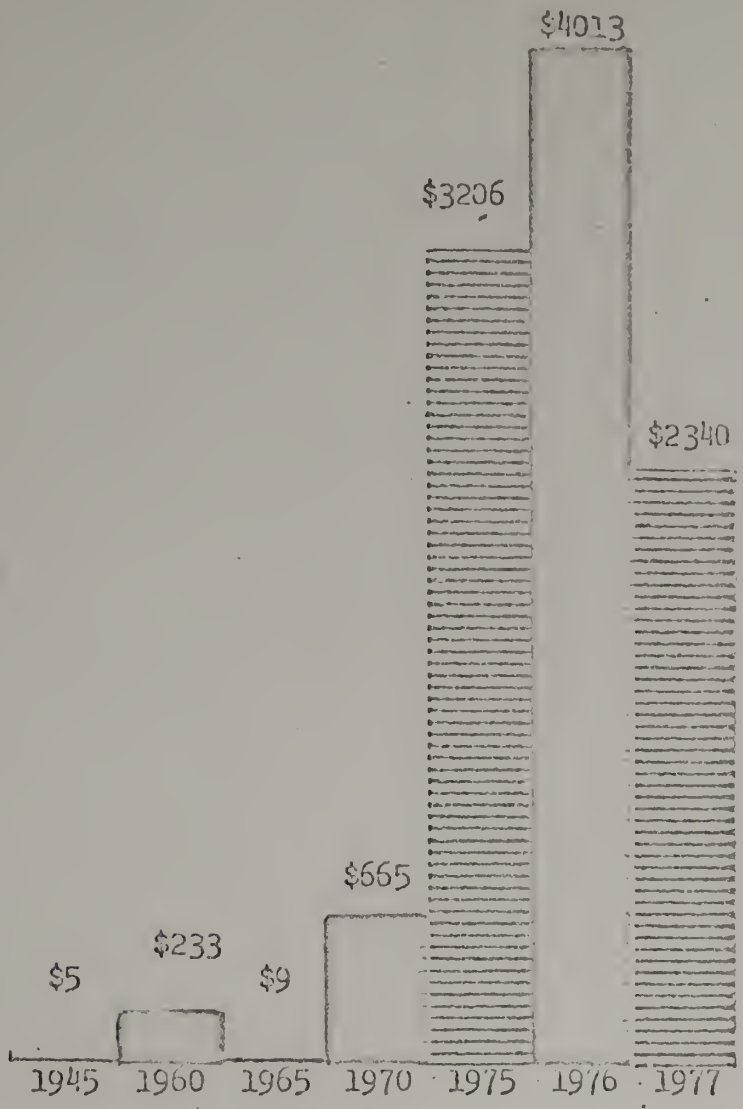
---

[10] Brubacher & Rudy, pp. 230-31.

[11] Beck, p. 101. For further background reading see Thompson, A History of the Serviceman's Readjustment Act and Its Effect Upon Education in Indiana (an unpublished dissertation); the President's Commission on Veterans Pensions, Veterans Benefits Administered by Departments and Agencies of the Federal Government: Digest of Laws and Basic Statistics, 1954; President's Commission on Higher Education, Higher Education for American Democracy; Conant, Education in a Divided World and Education and Liberty.

GRAPH II-A

G.I. Bill Educational Benefits*



In Millions of Dollars

*Source: Anne C. Roark, "Federal Student Aid and How It Grew," The Chronicle of Higher Education, October 11, 1977, p. 5.

Although the impact of the G.I. Bill on higher education should not be understated, the program had two major drawbacks:

(1) the funds were distributed on the basis of service to the country and not on financial need; and

(2) the funds were not available to the millions of capable students who were not eligible for Veterans benefits.

"Though the Land-Grant Act of the mid-nineteenth century seemingly established the principle of mass higher education, it was a century more before the various G.I. Bills accomplished this. Large numbers of students were found to be capable of doing good college work; it was also found that large numbers could be accommodated in our institutions. Though the number of college enrollees was greatly increased over previous years, these young people upon graduation still did not fill all the nation's needs for trained manpower. From all angles, experience with the Veterans' programs demonstrated that there was no merit in limiting opportunities for higher education."[12]

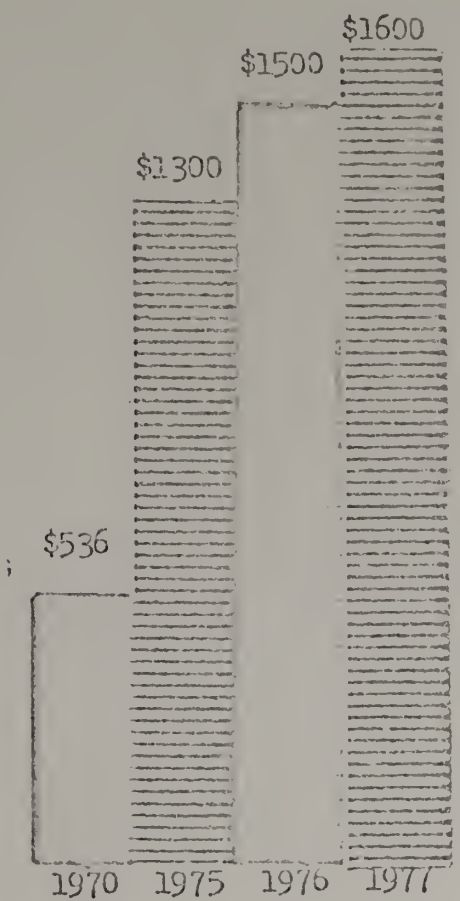
Another major federal program that has taken on increasing importance over the years is the Social Security program. Each year this program pours millions of dollars into supporting students who attend college. Normally, social security benefits for children end when the child turns eighteen years of age, but if the student continues his or her education full time in an accredited, post-secondary educational institution the benefits continue until the student reaches the age of twenty-two or ceases to be a full-time student. As can be seen from graph II-B, these benefits have been considerable. Again, however, these funds are not distributed to the eligible students based on financial need but on the basis of other criteria.

---

[12]Rexford G. Moon, Jr., Student Financial Aid in the United States: Administration and Resources (Princeton, N. J.: College Entrance Examination Board, 1963), p. 20.

GRAPH II-B

Social Security Benefits*



In Millions of Dollars

*Source: Anne C. Roark, p. 5.

During this period of time no program of student financial aid had yet been put forth by the Federal government to award funds specifically to students from low-income families so they could continue their education beyond high school. The Federal government commitment to education outside of the G.I. Bill and the S.S. program was limited to awarding contracts to colleges for specific tasks such as scientific research, medical education, agricultural education, and a whole host of other very narrowly defined purposes. The Federal government was yet to express a commitment to post-secondary education as a national philosophical goal and to back up that commitment with dollars. That problem was summed up rather well by the Trustees of the Carnegie Foundation:

"A high proportion of the federal money now going to higher education is not 'aid' in any meaningful sense of the word, but rather a purchase of services by the government. If a federal agency needs the services of a university to accomplish one of its purposes, and enters into a contract by which it obtains those services, the money that changes hands is not 'aid' any more than payment of a doctor's bill is 'aid'. These arrangements are often a burden for the university which undertakes, in a spirit of patriotic responsibility, commitments which are unproductive as far as the institution itself is concerned. Since the government has not always been liberal in payment of overhead and indirect costs -- and since many universities have not insisted upon recovering such costs -- the institution often suffers financially."

However, the Trustees go on to say:

"Federal funds are flowing to the universities in exceedingly impressive amounts, and no one involved -- federal agencies, college presidents, trustees, or faculty members -- shows any concerted inclination to stop the flow. It is very difficult to find educational leaders who are willing to predict that the channeling of federal funds to higher education will decrease in the forseeable future. Many predict an inevitable increase.

"In short, the question at issue is not whether the federal government should have a role in higher education. That question

was settled affirmatively in the nineteenth century and never seriously reopened. The question at issue is what kind of role the federal government should play in higher education. It is not a question about which either the American people or leaders in higher education are ever going to make a clear-cut decision. But they are going to make a great many decisions that bear in one way or another on federal action, and the cumulative impact of these decisions will determine the future of federal relationships to higher education. One can only hope that these decisions will be made with a clear grasp of the issues involved."[13]

In the early 50's the Federal government was spending a great deal of money on higher education, although its thrust was fragmented, disjointed, and often pursued short-range goals in conflict with each other. There was obviously no over-riding set of goals to guide its effort, only a myriad of federal agencies all trying to accomplish their own pre-defined missions using the colleges as only one of several resources to meet those goals. In 1951-52, for example, the Federal government spent roughly $500 million on these various programs.[14] However, more and more educators were becoming increasingly anxious about the direction colleges were headed in the pursuit of these federal dollars.

Where was the concern for the individual student in all of this? After all, were not the students supposed to be the prime reason for the colleges' existence? The Government seemed to be getting its narrowly defined needs satisfied. Faculties were being employed by research grants. Colleges were enhancing their reputations

---

[13]Carnegie Foundation for the Advancement of Teaching, Federal Programs in Higher Education, Summary of a Discussion by the Trustees (Reprint from the 1956-57 Annual Report), pp. 3-4.

[14]United States Office of Education, H.E.G.I.S., Financial Statistics of Institutions of Higher Education, 1951-52, (Washington, D. C.: U. S. Government Printing Office, 1952).

by conducting government-sponsored research. But, what was happening for the student? "Do our institutions serve the needs of students, or is it the other way around?" stated former Commissioner of Education, Harold Howe.[15]

Ironically it took a scientific breakthrough by Russia to bring the education of students in America into focus. Alfred North Whitehead wrote in 1916:

> "In the conditions of modern life the rule is absolute: the race which does not value trained intelligence is doomed. Not all your heroism, not all your social charm, not all your wit, not all your victories on land or sea, can move back the finger of fate. Today we maintain ourselves. Tomorrow science will have moved forward yet one more step, and there will be no appeal from the judgment which will then be pronounced on the uneducated."[16]

These words came back to haunt us. The Soviet Union launched the Sputnik into orbit catching this country in an embarrassing position. At a news conference shortly after this event a reporter bluntly asked President Eisenhower, "I ask you, sir, what are we going to do about it?"[17]

---

[15]Quoted by Jack N. Arbolino in New Teaching, New Learning, G. Kerry Smith, ed. (London: Jossey-Bass, 1971), p. 67.

[16]President's Science Advisory Committee, Education for the Age of Science (Washington, D. C.: U. S. Government Printing Office, 1959), p. 8.

[17]Quoted in James C. Sundquist, Politics and Policy: The Eisenhower, Kennedy, and Johnson Years (Washington, D. C.: The Brookings Institution, 1968), p. 173.

His response was to put forward two measures. One was to expand the National Science Foundation. The other was to put together several disparate measures into what eventually became the National Defense Education Act of 1958 (N.D.E.A.).

The National Defense Education Act of 1958

"History will smile sardonically," said Robert Maynard Hutchins, "at the spectacle of this great country's getting interested, slightly and temporarily, in education only because of the technical achievements of Russia, and then being able to act as a nation only by assimilating education to the cold war and calling an education bill a defense bill."[18]

As early as the 1940's many groups and individuals had been calling on the Federal government to develop student grant, work, and loan programs. In September of 1947 the President's Scientific Research Board put forth a recommendation for federal grants. Also in 1947 the President's Commission on Higher Education recommended a grant program in its report entitled, Immediate Steps to Be Taken to Establish a National Program of Scholarships and Fellowships. President Truman several times advocated aid to students from the Federal government. A work study program was recommended in 1955 by the President's Committee on Education Beyond the High School. In 1956 a Library of Congress study recommended a "crash program" for the development of scientists and engineers.[19]

---

[18]Quoted in The New York Times, Jan. 22, 1959. Reprinted in the Congressional Record, Vol. 105 (March, 1959), p. 3123.

[19]For further background reading see President's Committee on Education Beyond the High School, Second Report to the President; Collingwood, Engineering and Scientific Manpower in the United States, Western Europe, and Soviet Russia; Sundquist, Politics and Policy.

President Eisenhower had indicated in the middle 40's that he was aware of the problems we had in higher education and the Republican platform of 1952 stated clearly how he stood on the issue of aid to education.

"The tradition of popular education, tax supported and free to all, is strong with our people. The responsibility for sustaining this system of popular education has always rested upon the local communities and the states. We subscribe fully to this principle."[20]

However, by 1954 when it became more apparent we were falling behind the Russians in the education of technically-oriented students his statement to a news conference indicated a slight shift in his thinking as to whom should fund education:

"Here is one place where the Government should be very alert and if we find anything like that... I believe the federal government could establish scholarships... I am just saying what could be done, and possibly, will have to be done. I don't know."[21]

In the Congress there seemed to be a lessening of the resistance to federal aid to help students attending higher educational institutions. Advocates for aid to education such as Senators Lester Hill, Melvin Price, and Earle Clements had all been active in trying to get scholarship bills through Congress. In fact, Representative Elliot was in the middle of hearings on just such a bill when Sputnik was launched.

The public pressure was great to have some major push in the area of higher education. Two bills were immediately put forth. The

---

[20] Republican National Platform, 1952.

[21] Congressional Record, p. 174.

Republican measure was basically oriented toward aid to institutions. The Democratic bill, although oriented toward institutions, included both scholarship and loan provisions for students. When it became obvious that no grant provision would pass Congress a compromise was reached to pass a Student Loan program and to "forgive" the loan if the student worked in certain fields.

Thus the stage was set for the passage of the National Defense Act of 1958. With little opposition the Bill was rushed through Congress. The findings and declaration of policy of the original Bill stated:

"Sec. 101. The Congress hereby finds and declares that the security of the Nation requires the fullest development of the mental resources and technical skills of its young men and women. The present emergency demands that additional and more adequate educational opportunities be made available. The defense of this Nation depends upon the mastery of modern techniques developed from complex scientific principles. It depends as well upon the discovery and development of new principles, new techniques, and new knowledge.

We must increase our efforts to identify and educate more of the talent of our Nation. This requires programs that will give assurance that no student of ability will be denied an opportunity for higher education because of financial need; will correct as rapidly as possible the existing imbalances in our educational programs.

The Congress reaffirms the principle and declares that the States and local communities have and must retain control over and primary responsibility for public education. The national interest requires, however, that the Federal Government give assistance to education for programs, which are important to our defense.

To meet the present educational emergency requires additional effort at all levels of government. It is therefore the purpose of this Act to provide substantial assistance in various forms to insure trained manpower of sufficient quality and quantity to meet the national defense needs of the United States."[22]

---

[22]P. L. 85-864, The National Defense Education Act, Sec. 101

Majority Leader Lyndon Johnson stated just before the Bill was voted on in the Senate that it was: "An historic landmark, one of the most important measures of this or any other session."[23]

This legislation was important for a number of reasons, but for this study there are three major points that need to be emphasized:

(1) The program has put into the higher education economy millions of student loan dollars.

"Before the passage of the National Defense Education Act, fewer than 800 institutions of higher education operated long-term loan funds. Of the $26 million available to be loaned by these colleges and universities, less than 50 percent was outstanding in 1958. In fiscal year 1960, the first full year of operation for the National Direct Student Loan Program, 115,000 students in 1,357 colleges and universities borrowed more than $50 million. Within a decade over 1,700 institutions were particpating, and they had lent more than $1 billion."[24]

(See Graph II-C)

(2) This program was the first major federal student-oriented higher education bill. The Act included:

"... five features in its program to provide for financial assistance to individuals for the payment of educational expenses, including provision for the retraining of teachers. The law established a loan program for full-time students in institutions of higher learning; a fellowship program to encourage the expansion

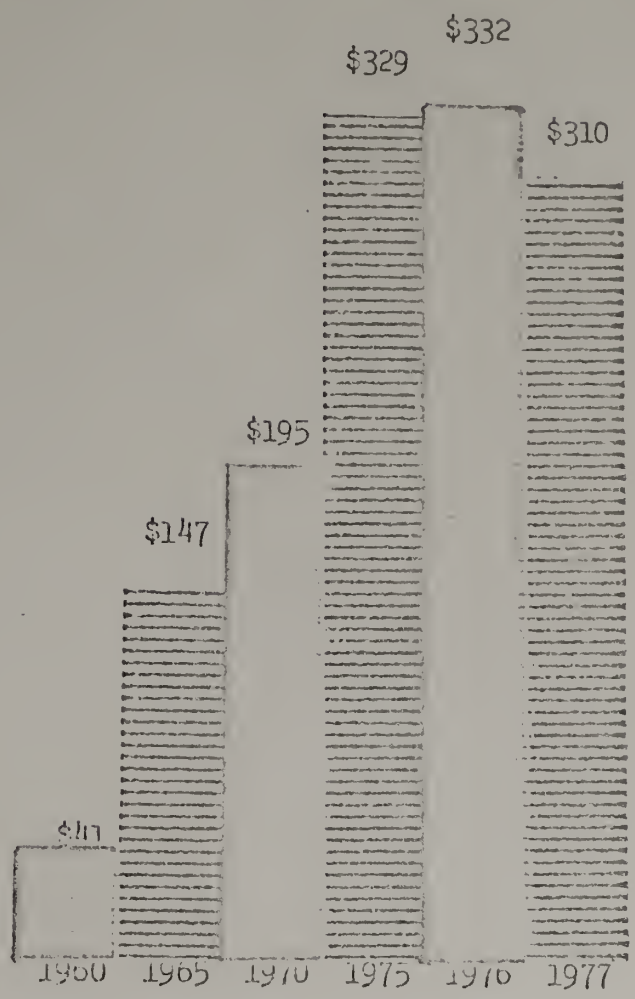
---

[23] Congressional Record, Vol. 104 (August 13, 1958), pp. 17330-31.

[24] Beck, p. 109. See also U. S. Congress, Senate Committee on Labor and Public Welfare, Subcommittee on Education, Notes and Working Papers Concerning the Administration of Programs Authorized Under Student Financial Assistance Statutes, 90th Congress, 2nd Session (Washington, D. C.: U. S. Government Printing Office, 1968).

GRAPH II-C

National Direct Student Loans*



In Millions of Dollars

*Source: Anne C. Roark, p. 5.

of graduate facilities; a series of training programs, mostly in the summer, for guidance counselors; a graduate fellowship program in modern but neglected foreign languages, and a program of traineeships for school language teachers."[25]

This legislation was the first federal effort to direct its funds at the students since the work programs of the 1930's. It signified a decided shift in emphasis. It was the first time the Nation had backed with funds the stated commitment to "... give assurance that no student of ability will be denied an opportunity for higher education because of financial need, ..."[26]

This Act also encouraged those who had been fighting for other student aid programs to continue the battle. Although it took another five years, work and grant programs were soon to follow.

(3) This program established the pattern of distributing the appropriated funds to the states by a state allotment formula. The funds were then distributed to the colleges within the state by application.

"Funds for the Federal capital contribution are first allocated to the State in which the institution is located. The allocation to each state is based upon the number of students enrolled on a full-time basis in institutions of higher education in the State in proportion to the number of such students in the entire United States."[27]

Once the funds were thus distributed to the states, they were in turn allocated to the individual colleges.

---

[25] Rexford G. Moon, p. 20.

[26] P. L. 85-864, The National Defense Education Act.

[27] Notes and Working Papers, p. 29.

"Requests for funds from an individual institution are evaluated by a panel of educators in various regions of the country and approved or disapproved by the Commissioner of Education. The actual amount of Federal funds received by the institution is determined by the following formula:

$$\frac{\text{Institution's approved request}}{\text{Total approved requests for state}} \times \text{State Allotment} = \text{Institution's allocations}$$[28]

The National Direct Student Loan funds were administered by the colleges. The institutions had to match $1 for every $9 that they received in allocation. The loans were given to the students at a very modest 3% interest. No student could borrow more than $1,000 per year for five years. One year after graduation, leaving the military, or leaving school the student had to begin to repay the loan and could take up to ten years to do so. These provisions have been modified greatly since then, but the importance of this "foot-in-the-door" cannot be overstated. Senator Goldwater in a minority report on an education bill voiced the concern of most conservatives on this and other ventures of the Federal government into the financing of education:

"This bill and the foregoing remarks of the majority remind me of an old Arabian proverb: 'If the camel once gets his nose to the tent, his body will soon follow.' If adopted, the legislation will mark the inception of aid, supervision and ultimately control of education in this country by federal authorities."[29]

As future events proved, he was at least right to the extent that the Federal Government was embarking on a road to supporting higher education never before equalled in our history.

---

[28] Ibid, p. 29.

[29] Congressional Record, Vol. 104 (August 13, 1968), p. 17290.

For the next few years, without the great push of any national emergency, higher education legislation lapsed back into the religous and states rights debates that had always crippled it before. President Kennedy on several occasions put forth bills to help the colleges in both the areas of much needed construction aid as well as student scholarship aid. For a variety of reasons these different approaches were all killed by Congress.[30]

"In 1963, President Kennedy submitted to Congress a new omnibus bill, the National Education Improvement Act of 1963. For higher education, the bill proposed Federal aid for academic facilities construction, expansion of the NDEA loan and fellowship programs, new Federal student aid programs of insured loans and work-study, and Federal aid for teacher preparation and college libraries.

The higher education provisions were broken out of the Administration bill and the House and Senate committees focused on the area where they had reached agreement in the ill-fated 1962 higher education conference report - Federal aid for facilities construction."[31]

All of the other parts of the bill were studiously ignored. Student aid was still a dead issue as were several other proposed categorical aid programs. However, by this time the higher education community had convinced Congress that many capable students were being denied access to college because of the lack of physical space. After assuming office, President Johnson signed into law the Higher Education Facilities Act. This Act called for Federal matching grants

---

[30]For further background reading see Westin, "Race, Religion, and the Rules Committee: The Kennedy Aid-to-Education Bills," The Uses of Power; Bendiner, Obstacle Course on Capitol Hill; and Sundquist, Politics and Policy: The Eisenhower, Kennedy, and Johnson Years.

[31]Gladieux and Walanin, p. 11.

and low-interest loans for undergraduate and graduate facilities construction. Not since the Morrill Acts of the 1800's had the Federal government made such a commitment to the physical growth of the nation's colleges.

This legislation was important in another way as well. When President Kennedy put forth the administration's version of the bill it included an expansion of the N.D.S.L. program and called for new programs in insured loans, grants, and work/study. Although these items were not accepted by Congress, the groundwork was being laid for the future.

The Economic Opportunity Act of 1964

In 1963 President Kennedy was deeply involved in studying how to develop programs to attack what he felt were very deep-rooted social problems. As the ideas began to come together they took the form "... of a broad war against poverty itself. Here perhaps was the unifying theme which would pull a host of social problems together and rally the nation behind a generous cause."[32]

According to both Schlesinger and Sorenson,[33] President Kennedy had decided to use the issue of poverty as the "... centerpiece in his 1964 legislative recommendations."[34] In this regard several different

---

[32]Arthur M. Schlesinger, Jr., A Thousand Days (New York: Houghton Mifflin, 1965), p. 1009.

[33]Theodore C. Sorensen, Kennedy (New York: Harper and Row, 1965), p. 753.

[34]Schlesinger, p. 1012.

agencies were all asked to put forward to the President proposals for legislation to follow up on this theme. They were in the process of doing so when President Kennedy was assassinated. Vice-President Johnson was thrust into the Presidency. He lost no time in picking up the poverty strategy. After all, he faced an election shortly and wanted to demonstrate he was a "can do" President. According to Walter Heller, Kennedy's Chairman of the Council of Economic Advisors, Johnson was eager to push these programs along stating, "That's my kind of program... Move full speed ahead."[35]

The legislation soon became a catch-all for a number of programs. New ventures like the Job Corps, Neighborhood Youth Corps, V.I.S.T.A., and others were put forward to help young people get training and employment. Perhaps motivated by his experiences as the Director of the Texas National Youth Administration programs in Texas during the 1930's, Johnson pushed these programs along with great enthusiasm.

The College Work/Study program was added to this bill. Attracting little attention and even less debate, this portion of the bill was quickly accepted by the Congress. According to members of the administration this program was slipped in because it was almost a sure thing that this bill would pass Congress in record time and that this was a golden opportunity to include a measure on work long

---

[35]Quoted from a speech by Walter Heller given at Indiana State College (Indiana, Pa.: March 25, 1965).

supported by several studies and educational groups. It was also agreed that as soon as possible this program would be switched from the Office of Economic Opportunity to the Office of Education.[36]

This legislation was helped immensely by the results of Project Talent being circulated by the backers of the program. The statistics of the study showed graphically that the most talented of the poor were not going on to college because of financial reasons.[37]

In his speech before the House in support of this section of the bill Representative Brademas of Indiana said:

"... National Defense Education Act borrowers are heavily concentrated in families earning $3,000 to $7,000 per year... There is clearly therefore a need for an additional program to aid those in families earning $3,000 or less... We have not yet reached the neediest students of our Nation and, without the college work/study program, we will not meet the overall objectives of this Act: to open to everyone the opportunity for a complete education, an essential objective if we are to begin to shatter the cycle of poverty.

It is the purpose of the college work program... to stimulate and promote the part-time employment, both on and off campus, of needy students with the result that more than 140,000 students will be assisted the first year."[38]

His speech shed great light on the thought-process that was behind the state allotment formula that is one of the concerns of this study.

---

[36]Beck, p. 139.

[37]Project Talent was a longitudinal study sponsored by the U. S. Office of Education that surveyed the high school classes of a test group in 1960 and 1961 and followed their career choices through the year 1966. The results were summarized in Alice Rivlin, Toward a Long-Range Plan for Federal Financial Support for Higher Education (Washington, D. C.: U. S. Printing Office, January, 1969).

[38]Congressional Record, Vol. 110, part 15 (August 6, 1964), pp. 18278-18280.

"The committee has provided for a State distribution of the 72.7 million available for this part on the basis of three factors. One-third of the funds will be allotted among the States on the basis of the relative number of students enrolled in college on a full-time basis in the several States. This is one of the bases for the distribution of funds under the student-loan program of the National Defense Education Act. Second, one third of such funds will be allotted among the States on the basis of the relative number of high school graduates in the several States. This is a factor used in the distribution of funds under the Higher Education Facilities Act of 1963. And, lastly, one-third of the funds will be allotted on the basis of the relative number of children under 18 years of age who are living in families with annual incomes of less than $3,000 in the several States. This latter factor was included by the committee in order to insure that the funds were made available in those areas where there is greatest need."[39]

Further he states:

"The use of the three-factor formula for the distribution of funds will permit an equitable distribution of funds across the United States. The inclusion of a factor related to poverty . . . will insure a concentration of work-study programs in those colleges and universities which enroll large numbers of students from low-income families, whether or not these families or the institutions are located in a poverty area."[40]

The program was drawn to help low-income students afford the cost of higher education.

"To be eligible to participate . . . a student must either be enrolled or accepted for enrollment in an institution of higher education. He must be from a low-income family . . . in need of the earnings in order to pursue a course of study at the college or university . . . students under this program will be those for whom a National Defense Education Act Loan is insufficient to meet the costs of a college education today."[41]

In order to be sure these funds were going to the target population the Office of Education issued a set of guidelines for the college financial aid administrators. Although there were several

---

[39] Ibid, p. 18280.

[40] Ibid, p. 18280.

[41] Ibid, p. 18280.

factors involved, the main idea was that students were eligible if they came from families whose combined income was under $3,000 (adjusted by family numbers, medical expenses and other related items) or were receiving some form of public assistance. The government was to pay 90% of the student's wages and the colleges or the off-campus employing agencies were to pay the other 10%.[42] The program has been modified on several different occasions since its inception. It has always been funded without much debate and has long been the most popular of the three campus-based programs in Congress. Graph II-D illustrates the growth of the program since 1965.

The proponents of student financial aid now had a loan program (N.D.S.L.) and a work program (C.W.S.). Encouraged by the support they received for the C.W.S. legislation and buoyed by the ease it passed through Congress they pushed full speed ahead for the last item: a grant program.

The Higher Education Act of 1965

Any student of history has to be continually amazed at the pronounced shifts of attitudes by members of Congress over relatively short periods of time. Since the early 1940's a grant program for students had been advocated by several different Presidents, commissions,

---

[42] U. S. Department of Health, Education and Welfare; Office of Education; Division of Student Financial Aids; Work-Study Branch: Guidelines for Determining Student Eligibility Under Low-Income Criterion, December 9, 1964.

GRAPH II-D

College Work/Study*

In Millions of Dollars

---

*Source: Anne C. Roark, p. 5.

study groups, and prominent educational bodies. Many members of Congress had fought the idea tooth and nail. This attitude against grant aid was articulated by Congressman Walter Judd of Minnesota during the debate on scholarship aid in 1958:

"Any boy or girl bright enough to merit a scholarship is good enough to be able to pay a low-interest loan back without difficulty or hardship in an eleven-year period after his graduation... Any boy or girl who is not sufficiently competent to be able to pay back such a loan ... is not good enough to deserve a free scholarship."[43]

However, in just a few short years the Congress had passed legislation to support educational facilities construction, a student loan program, and a college work/study program. In 1964 the climate was right for the consideration of what many considered the "last link", that of a grant program.

In 1964 President Johnson ran against and decisively defeated Senator Goldwater for the Presidency of the United States, bringing into office on his coattails a new group of liberal Congressmen. In the area of education the Democratic Party Platform made a very clear policy statement:

"Our task is to make the national purpose serve the human purpose: that every person shall have the opportunity to become all that he or she is capable of becoming.

We believe that knowledge is essential to individual freedom and to the conduct of a free society. We believe that education is the surest and most profitable investment a national can make.

---

[43]Congressional Record, Vol. 104 (August 8, 1958), p. 16728.

. Regardless of family financial status, therefore, education should be open to every boy or girl in America up to the highest level which he or she is able to master."[44]

By this statement the President had gotten the "War on Poverty" underway. Bolstered by the long-time champion of the little fellow, now Vice-President Hubert Humphrey, more legislation was being prepared to attack the root causes of poverty in America.

"... we attack poverty ... in the spirit expressed by the author Thomas Wolfe: 'To every man his chance, to every man regardless of his birth, his shining golden opportunity -- to every man the right to live, to work, to be himself, and to become whatever thing his manhood and his vision can combine to make him -- this ... is the promise of America.'"[45]

In keeping with the spirit of this attack, higher education was given a high priority by the Johnson administration. As will be domonstrated later, President Johnson was not about to let this legislative initiative bog down. He now had the political clout to push through major pieces of social legislation which, for the most part, had their beginnings under the Kennedy administration but were put into final form after the 1964 election. President Johnson was clear on his support for a major initiative in education:

"The first work of these times and the first work of our society

---

[44]Quoted from Daniel P. Moynihan, "The Impact on Manpower Development and Employment of Youth," Universal Higher Education. Earl J. McGrath, ed. (New York: McGraw-Hill Book Co., 1966), p. 66.

[45]Quoted from a speech given by Vice-President Hubert Humphrey at the first anniversary of the War on Poverty, Tampa, Florida, August 25, 1962. Speech was entered into the Congressional Record, Vol. 111, part 17, p. 23278.

is education."[46]

The Higher Education Scholarship Act of 1965 (later in the session passed as the Higher Education Act of 1965) was introduced to the Senate by Senator Pell of Rhode Island:

"We all recognize the impact on this Nation's growth and well-being of the development of our school system, which has provided opportunity for education for all at the elementary and secondary school level. I see no particular reason to limit this opportunity for all to completion of secondary school, and offer this legislation as a logical extension of the effort of our Nation to develop the talents of all of our children."[47]

He states further on that

"... I have an abiding sympathy for the average student. Not everyone can earn high academic marks. The true mark of a man is not necessarily his academic achievement; it may very well be his demonstrated achievements later in life. The average student should have his equal opportunity, also, to reach a higher level often denied him for lack of funds. If we get him started on his way we will be providing that opportunity."[48]

Not since the Jacksonian days of the 1800's had such a clear statement been made for federal support for the common man. No longer was elitism an acceptable fact in our society.

This Higher Education Act of 1965 included the following titles:

Title I -- provided for a program of financial support for colleges and universities which offer community service courses as part of an accredited program of study.

---

[46]Quoted from a speech to the House by Representative Howard of New Jersey, Congressional Record, Vol. III, part 16 (August 26, 1965), p. 21899.

[47]Congressional Record, Vol. III, part 18, p. 24513.

[48]Ibid, p. 24513.

. Title II - provided for a five-year program for grants to schools to assist them in acquiring books and library material.

Title III -- provided for grants to assist developing and new colleges and universities to expand to meet the growing demand.

Title IV -- provided for two student assistance programs; one grants and the other loans.

Title V -- provided for the National Teachers Corps.

Title VI -- provided funds for educational equipment.

Title VII -- provided for amendments to the Higher Education Facilities Act of 1963.

As was mentioned before, President Johnson was not about to brook any opposition to his legislative programs. A view of this pressure is expressed by Representative Curtis:

"Our Democratic colleague, Mr. Pucinski, as quoted by the Wall Street Journal of July 1, 1965, described the handling of this bill as 'a mockery of the legislative process.' We agree; the committee's performance was so absurd and so demeaning to the integrity of the Congress as to invite repudiation.

Before the full committee made its changes, the Special Subcommittee on Education under the chairmanship of our colleague, Mrs. Green, had given careful consideration to the legislation as originally proposed by the administration. The subcommittee had struck out provisions for Federal guarantees of student loans (mainly on the grounds that this need is being met by an increasing number of State and provate loan guarantee programs). As reported by the subcommittee the bill still contained a controversial provision for Federal scholarships.

The subcommittee print came before the full committee on May 20, and on May 21 the committee voted to delete the scholarship provisions. Further consideration by the full committee was then suspended and the subcommittee print was laid on the chairman's desk. Thereafter, some members of the subcommittee informally worked out a scholarship plan keyed to the NDEA loans which also involved

repeal of the forgiveness provision of the loan program. No further action was taken on the higher education bill until June 24, when a clean bill was ordered reported in an extraordinary late afternoon session.

It was this unusual meeting which our colleague termed 'a mockery of the legislative process.' In a meeting lasting less than 20 minutes the committee majority rubber-stamped the new scholarship plan which it had not discussed, reinstated the Federal student loan guarantee plan previously rejected by the subcommittee, repudiated the subcommittee by reinstating the loan forgiveness feature of the NDEA, accepted an amendment which extends NDEA loans to new categories of institutions (an idea not previously discussed), and approved authorizations in excess of $600 million annually without even having a clean print to examine. The question is why such a procedure was adopted. It could not have been the burning urgency of reporting some bill at any cost, because the bill that was introduced to carry out this hasty action was not itself reported until July 8. Certainly no impending crisis justified such action.

It is common knowledge that this unjustified action to approve a bill virtually sight unseen was ordered by the White House."[49]

For student financial aid there were two new programs. The educational opportunity grant portion went through a couple of major changes before it was passed. The House of Representatives wanted to have the colleges take 25% of the funds allocated to them from the National Defense Student Loan Program to use for grants.[50] The Senate felt that the matching requirements of the N.D.S.L. program plus the administrative problems of such transfers of funds between programs would be unwieldy. They proposed a separate program and after some debate by the House the idea was accepted.

The purpose of the program as stated in the law was to

"... provide, through institutions of higher education, educational opportunity grants to assist in making available the benefits

---

[49] Congressional Record, Vol. 111, part 6 (August 26, 1965), p. 21876.

[50] The House would add additional funds to the N.D.S.L. program.

of higher education to qualified high school graduates of exceptional financial need, who for the lack of financial means of their own or of their families would be unable to obtain such benefits without such aid."[51]

The program provided for grants on a sliding scale from $800 to $200 dispersed to students by guidelines established by the Office of Education. A bonus of $200 could be given any sophomore, junior or senior who was in the upper half of his or her class. The colleges were, for the first time, required to perform a needs analysis on each student's family finances to determine the financial contribution they should be expected to make toward the student's education.[52] Once that was determined, a chart put forth by the Office of Education was used to determine if the student was eligible and if so, for how much.[53]

The funds were to be apportioned by the Commissioner to each State in,

"... an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled full-time and the full-time equivalent of the number of persons enrolled part-time in institutions of higher education in such state bears to the total number of such persons in all states."[54]

---

[51] P.L. 89-329, sec. 401.

[52] This is a rather involved concept that will be explained more fully in future parts of this study.

[53] U.S. Department of Health, Education, and Welfare; Office of Education; Division of Student Financial Aid; Educational Opportunity Grant Branch; E.O.G. Administrative Memorandum No. 1, March 17, 1966.

[54] Committee on Education and Labor, House of Representatives; Compilation of Higher Education Laws, 1972, (Washington, D. C.: U. S. Government Printing Office, 1972), pp. 58-59.

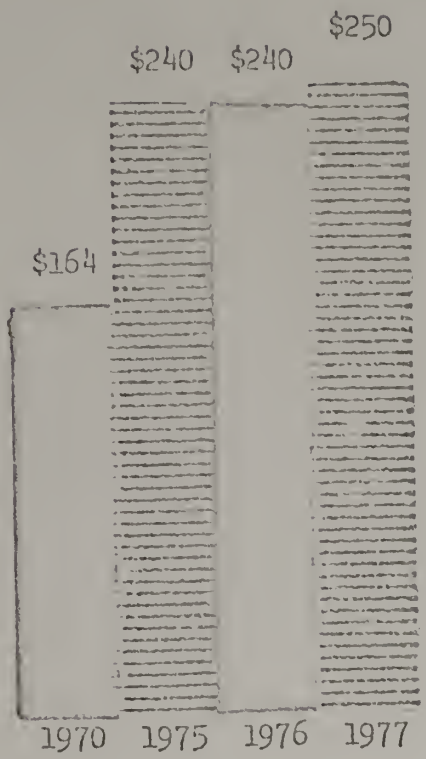
It should be noted here that the formula to distribute funds in a program for low-income undergraduate students who were carrying at least a 75% of normal load, was based on the figures for enrollment of both undergraduate and graduate students attending college both full-time and part-time. Also, the formula did not contain one single factor of ability to pay even though the funds were to be targeted toward low-income students. However, the program of grants that had previously been so difficult to sell Congress was finally passed. As Graph II-E illustrates, the program has been funded steadily over the last few years.

The second program included in this bill that has had a great impact on students needing financial aid funds was the Guaranteed Student Loan Program. The National Direct Student Loan to this date had been an overwhelming success. However, the federal funds allocated for this program fell far short of the demand. In addition, middle-income parents were pressing for a loan program that would help them meet the ever-rising cost of higher education.

As a result of the bill, any full-time students attending a post-secondary institution could borrow from a participating lender a student loan at 6% interest with repayment to start nine months after graduation. In addition, students with parents who adjusted gross income was under $15,000 were able to have the government pay the interest while the student was in college and pick up half of the interest while the loan was in repayment. The loans were guaranteed by the federal government, so that the lender

GRAPH II-E

Supplemental Educational Opportunity Grants*



In Millions of Dollars

---

*Source: Anne C. Roark, p. 5.

could collect from the federal government that portion of the loan which was defaulted on by the student.

A guaranteed loan program was already being run by seventeen states at the time of the passage of this bill. The expectation of Congress was that "... because of the impetus provided the states through this ... program ... within a relatively short period of time a State student loan insurance program will be operative in each of the States."[56]

Each State had four options available to implement this loan program:

(1) The Independent State Agency: As previously mentioned there were seventeen state agencies already guaranteeing loans to students. With the passage of this act six more states started their own agencies to handle the program.

(2) Private Agencies under Contract with the States: In twelve states the independent agency The United Student Aid Funds. Inc., took over the administration of the program.

(3) Private Agency under contract with the Federal Government: For the remaining fifteen states and the District of Columbia the Federal Government contracted with the United Student Aid Funds, Inc., to run the program.

(4) A direct Federal insurance program administered by the U. S. Office of Education: After studying the debate on this bill it is

---

[56]Quoted from the testimony of Charles E. Walker, Executive V.P. of the American Bankers Association, before the Special Subcommittee on Education and Labor, U.S. House of Representatives, April 19, 1967.

clear that this avenue was only to be used as a last resort but, in just two years twelve states had run out of funds and invoked this option. However, this represented a very small part of the loan volume. Subsequent legislation eliminated this last option.

Because of the confusion surrounding the start-up of this program many students were not able to secure loan funds until late 1966. It was remarkable, in some cases, that the program got started at all:

> "... the program was launched in the face of the tightest money and highest interest rate levels we have seen in 40 years. And, unfortunately, the peak rates were reached last August and September when the program was just getting started. The Federal Government at the time could not even borrow money, through sale of participation certificates, at 6 percent, which is the statutory ceiling on these (guaranteed loan program) loans."[56]

Although there have been numerous changes in the program since then, the graph II-F shows how important this program has been in providing the necessary loan funds to students of the middle class.

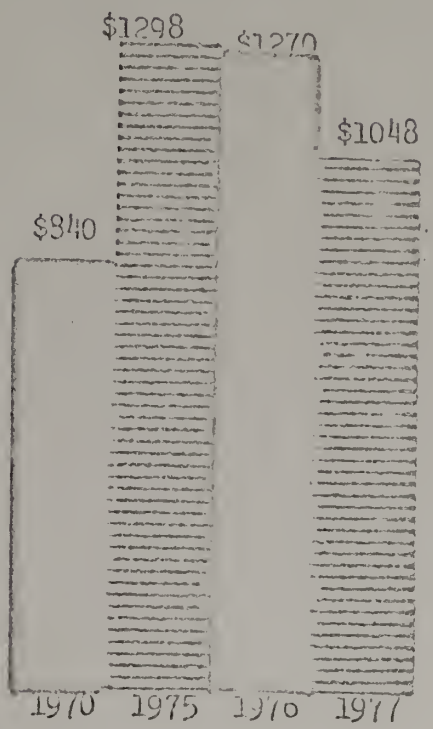
Over the next few years all of the higher education programs were amended and changed in a variety of ways. It was not until 1972, however, that any major additions were made to the array of student financial aid programs.

The Education Amendments of 1972

By 1970 the federal government was involved in the financing of higher education through a wide variety of programs. But, as the tuition costs at the colleges continued to escalate and the pressure continued to mount to make higher education available to every

GRAPH II-F

Guaranteed Student Loans*



qualified student in the nation, it became obvious that higher education needed a significant infusion of funds. It was also obvious to most that the federal government was the only source of funds that was available to meet this large demand.

In a speech in 1968, Alan Pifer, President of the Carnegie Foundation, stated that the federal government was the logical choice and that choice was "... based simply on the obvious inelasticity of other (state, local, and private) sources in relation to the expansion task ahead ... If this nation's needs for higher education are to be met in years to come, the federal government will have to accept the principal part of the consequent financial burder."[57]

The debate soon focused not only around the need for more federal dollars in higher education, but on how those dollars would be delivered as well. As the debate heightened the delivery options centered around two basic themes: channeling the money through the students or distributing the money directly to the institutions. Although most people involved in the debate did not see this as an either/or issue, there was considerable disagreement as to the proportion of federal aid that was to be delivered through either mechanism.

The six major higher education associations, although quite often at odds over other issues, came out solidly behind this concept of increased institutional aid. This coalition consisted of: the American Council on Education, the National Association of State Universities and Land-Grant Colleges, the American Association of State

---

[57]Alan Pifer, "Toward a Coherent Set of National Policies for Higher Education"; Speech to Annual Meeting of the Association of American Colleges, January 16, 1968.

Colleges and Universities, the Association of American Universities, the Association of American Colleges, and the American Association of Junior Colleges. This group could legitimately claim to represent just about every college and university in America. In a statement made in 1969, the American Council on Education made the argument for institutional aid:

"It can provide a broad base of support for institutions of established quality to strive toward greater quality. It can provide a broad base of support for other approved institutions to strive toward the quality that inadequate previous resources have denied them. It can help institutions, public and private alike, to slow down the trend toward increasing student fees -- a trend that is in direct contradiction to all our efforts to provide access to higher education for all our young people."[58]

However, these views were being strongly contradicted by economists. They were showing that state and federal subsidies to institutions were underwriting the costs of education to everybody who sought it, rich and poor alike. They argued that public funds should be used to subsidize students who are unable to afford the full cost of education and letting students who could afford to do so pay for the full cost of their education. Allan Cartter wrote:

"Today's heavy reliance on state subsidies for public institutions and tuition charges for private institutions aggravates rather than alleviates the problem of attaining equality of opportunity ... It is particularly discouraging that sufficient resources are being devoted to higher education to provide equal opportunity for the proportion of the age group now in college, but the confused pricing structure of our dual system makes inefficient use of these resources. Many students from affluent families are highly subsidized, while many students with substantial financial need are either penalized or eliminated."[59]

---

[58] American Council on Education, Federal Programs for Higher Education: Needed Next Steps (Washington, D.C., 1969), p. 19.

[59] Allan M. Cartter, "Student Financial Aid," Universal Higher Education: Costs and Benefits (American Council on Education, Washington, D.C., 1971), pp. 121-122.

The Rivlan report that had been ordered in 1967 by President Johnson and was issued just before Richard Nixon became President, supported this view. It stated that: "while student aid alone will not correct the problem of inequality of opportunity, studies indicate that college-going among the poor is significantly influenced by the amount of student aid ... An equal sum spent on institutional aid, by contrast, would have far less effect on equality of opportunity."[60]

During the fall of 1969 a working group on higher education was organized in the Nixon administration. This group consisted of Edward Morgan, Assistant to the President for domestic affairs, Richard Nathan from the O.M.B., Moynihan, Butler, and James Allen, Commissioner of Education. Other groups were represented, but the key members mentioned above, had the power. Butler of H.E.W. led the argument for channeling aid to students through a direct grant program. This idea fit in with Moynihan's Family Assistance Plan that he was promoting in the area of Welfare. It took a little time for this group to agree on the conceptual approach.

This group went much farther in promoting the restructuring of the federal effort in higher education. They wanted to do away with aid to institutions for building funds, increase the private sector, do away with the S.E.O.G. and N.D.S.L. programs, and set up a new

---

[60]Alice Rivlin, Toward a Long-Range Plan for Federal Support for Higher Education (U.S. Department of Health, Education, and Welfare, January, 1969), p. 20. For further background reading on this issue see: Project Talent, a longitudinal study by the Department of H.E.W. on college continuation rates of low-income high school students.

Foundation for Higher Education.[61]

In March of 1970, the President delivered the first message to Congress ever to be devoted entirely to higher education. In that message he proposed, among other things, a program that would give every student a basic entitlement so that every student would start out with the same minimum level of resources to pursue a postsecondary education. Every student would receive $1400 less his or her family contribution. This family contribution would be determined by a schedule to be set by the Secretary of H.E.W.

The reaction to this speech was for the most part negative by the higher education associations. They were fixated with the need for institutional support. When President Nixon advocated almost all new federal dollars be channeled through students they started an intense lobbying campaign in Congress to get passage of a more institutionally oriented bill.

It is not possible in a brief history such as this one to do justice to the debate on this issue.[62] Suffice it to say that this new program entitled the Basic Educational Opportunity Grant Program (B.E.O.G.) was eventually passed. As shown by graph II-G this program has become the largest single federal student financial aid program to ever be funded.

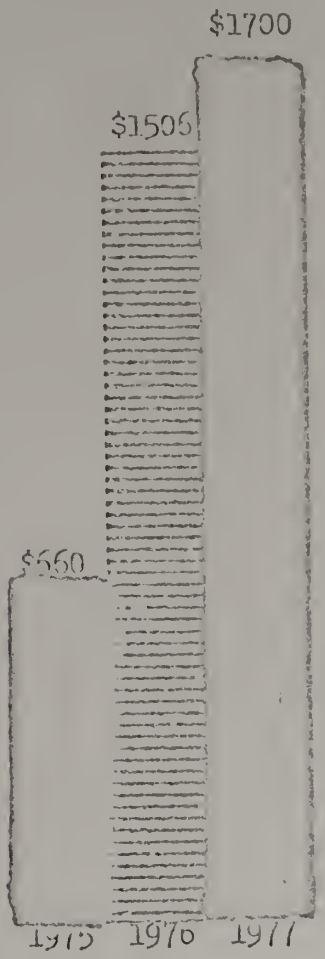
---

[61] Chester E. Finn, Jr., "The National Foundation for Higher Education: Death of an Idea," Change, Vol. 4, March 1972.

[62] For an in-depth look at the passage of this bill see Lawrence E. Gladieux and Thomas Wolanin, Congress and the Colleges (Lexington, Mass.: Lexington Books, 1976).

GRAPH II-G

Basic Educational Opportunity Grants*



In Millions of Dollars

*Source: Anne C. Roark, p. 5.

As was mentioned before, the Nixon administration wanted to eliminate the E.O.G. and N.D.S.L. programs. It was felt that these two programs would be unnecessary as the B.E.O.G. program would take care of the need for grant funds and the Guaranteed Loan Program would provide adequate loan funds. However, through intense lobbying by the higher education associations and the National Association of Student Financial Aid Administrators, the N.D.S.L., E.O.G. (renamed the Supplemental Educational Opportunity Grant), and C.W.S. programs were retained. A compromise was worked out whereby these programs would continue to be funded at roughly their current levels and all new student aid dollars would be channeled into the B.E.O.G. program.

Another small grant program was included in this bill. The State Student Incentive Grant Program (S.S.I.G.) was introduced by Senator Javits of New York to provide fifty percent matching grants to encourage states to either expand existing or set up new state scholarship programs for undergraduate students. This seed money was to help states give to deserving students grants up to $1500 per year. The funds were to be given to the states on a statutory formula. Although the funding for this program has been small over the years, it has served to encourage states to increase the funding of their own youth. It also added one more program to the patchwork work of financial aid.

Education Amendments of 1976

The Education Amendments of 1976 contained no new thrusts or major programs. It was felt by most Congressmen that the new programs introduced in 1972 should be given more time.

It did, however, attempt to correct some defects in previous legislation and added some provisions aimed at curbing abuses of the programs:

Basic Educational Opportunity Grant - extended the program for three years and raised the maximum grant from $1400 to $1800 for the 1978-79 academic year.

Supplemental Educational Opportunity Grant - extended the program for three years without any changes.

College Work-Study Program - extended the program for six years.

National Direct Student Loan - extended the program for three years.

State Student Incentive Grant - extended the program for three years.

Guaranteed Student Loan Program - extended the program for five years. Raised the income level ceiling for interest subsidies from $15,000 to $25,000. Raised the loan limits and added several new provisions to tighten up the disbursing and collection portions of the program.

This bill passed both the House and Senate with little debate.

FUTURE DIRECTIONS

The funding of higher education in America has taken many different forms. Early in our history support was concentrated mainly on institutional aid. Later, this gradually gave way to the concept of student financial aid, until presently roughly 80 percent of all

federal dollars to education is channeled through the student. Where the pendulum will swing next is hard to determine. It does appear now that almost any capable student is able to attend some form of post-secondary institution. The question of choice as well as access might be the next issue on which attention will be focused.

The current legislation ends in 1979 for most of the student aid programs. As usual, there will probably be an immense amount of sound and fury generated over the discussion of the possible alternatives. In fact, some of the skirmishes are already under way. Hopefully studies such as this one will help policy makers understand the complexity, strengths, and weaknesses of the existing legislation and will have some influence on the shape of legislation to come.

CHAPTER III

THE PROCESS BY WHICH THE FUNDS APPROPRIATED BY THE CONGRESS ARE ALLOCATED TO THE STATES FOR THE N.D.S.L., S.E.O.G., AND C.W.S PROGRAMS

As has been shown in the previous chapter, the federal student financial aid programs that presently exist have developed by accretion. They are accumulation of separate programs that have been introduced and revised over a period of twenty years. In the case of the three campus-based programs, the different formulas used to distribute the funds reflect the changing priorities and politics of the Congress. Although the different formulas contain some common elements, there are unique factors in each one that materially differentiates one from the other.

It is the purpose of this chapter to explain the relationship of the state allotment formulas to the whole distribution process, examine each formula in detail, compare the different formulas with each other, and finally to demonstrate the effects these formulas have on the distribution of funds of the states.

The Distribution Process

As is the case with many complex programs, there are several different operations in this distribution process that happen simultaneously and occur independently from each other. Because each step is important it is necessary to thoroughly understand each operation.

The Institutions of Post-Secondary Education. In order to participate

in these three campus-based programs each institution is required to submit an application for funds for each twelve-month period (July 1 - June 30). A single application of many parts known as the Tripartite application is used to apply for all of the programs. This is a complex and complicated form. The completion of this form can take several weeks and involves considerable data input from many different offices within the institution. The purpose of this application is to determine to what extent funds are needed from the three programs to help students at each institution meet the costs of attending that institution.

To do so, the Financial Aid Director estimates for the next year the total educational costs of all the enrolled students who will apply for and need financial aid. From that total is subtracted all of the resources expected to be available to the students to help them meet those costs. This includes resources from the parents, the student, Basic Educational Opportunity Grants, state and local scholarships, G.I. benefits, Social Security benefits, etc. The resulting figure represents the amount of money necessary to fully fund all of the financially needy students in that institution. The financial aid officer then requests from the federal government, through the three campus-based programs, the funds necessary to meet the full financial need of the students enrolled at his/her institution.

The above is a capsulization of a very complex operation, but once that process is completed, the application is forwarded to the

appropriate Regional Office of the United States Office of Education. A representative panel of experienced financial aid personnel along with representatives of the Office of Education is convened by each Regional Office to review each application. A review is conducted to try to insure the reasonableness of the figures presented.

Once the review is completed, each institution is mailed a Notification of Regional Review Action that states whether or not the panel has agreed with the institution as to its requests for funding in each program. If adjustments have been made in the institution's requested funding level, the reasons for such changes must be included in the Notification. If the institution is dissatisfied with any action taken by this panel on its application, the institution may appeal to the Regional Office for further consideration.

The Regional Office Appeals Panel may raise, lower, or sustain the recommendations of the original panel. The institutions, if still not satisfied, may appeal to a National Appeals Panel. This panel consists of a Financial Aid Officer from each Region as well as U.S.O.E. personnel. Again, this panel may raise, lower, or sustain the original recommendations.

At the completion of the application process and subsequent appeals, the recommended funding levels for each program at each institution in the Nation are forwarded to the Commissioner of Education. If this process is done accurately, it should result in figures that reveal the total dollars necessary to fund adequately all the financially needy students in the country for the next fiscal year.

Over the last few years there has been considerable debate over

the accuracy of the figures derived from this process. Although the institutional application process is not the focus of this inquiry, there is enough evidence available to suggest that the distribution process is being skewed by inaccurate and inflated applications submitted by some institutions.

"Some educational institutions submit applications which do not reflect accurate estimates of the student need of anticipated applicants. Regional panels convened by O.E. to review institutions' applications and recommend amounts to be allocated to the schools do not always identify and make appropriate adjustments to these applications."[1]

For the purpose of this examination, which is concentrating on the allotments to the states as opposed to the individual institutions, the assumption is being made that the inflation of applications occurs at roughly the same rate state by state.

The Federal Government. Before any funds can be allocated to anyone, the Congress must first appropriate the money for these three programs.[2] Once these funds are appropriated they are given to the Office of Education for distribution. Using the state allotment formulas mandated in the legislation creating these programs, the Office of Education allocates these funds to the States. As will be shown later, the Office of Education does have some discretion as to how certain portions of these funds are distributed and has developed a series of regulations regarding that discretionary portion of the appropriated funds.

---

[1]Comptroller General, Administration of the Office of Education's Student Financial Aid Program. Page 26.

[2]For a thorough examination of how educational legislation and appropriations move through the Congress see Gladieux and Wolanin, Congress and the Colleges.

Once the States have received their portion of the federal funds they are distributed within the state among the institutions that have submitted a Tripartite Application. Each institution is allocated a percentage of the Recommended Funding Level approved by the Regional Review Panel. That percentage is determined by dividing the total state allocation for each program by the total Recommended Funding Levels for that program of all of the institutions in that state. For example, if State A received an allocation of $100,000 for the N.D.S.L. Program and the combined request for N.D.S.L. funds of all of the colleges in that State was $1,000,000, each institution would receive 10% of its approved request.

The Financial Aid Director of each institution is then responsible for distributing these funds to those students in financial need. Each program has its own guidelines, rules, and regulations and the expenditures are subject to audit. Then, once a year the Financial Aid Director submits to the Office of Education a Fiscal Operations Report that describes in detail how the funds were expended.

As mentioned before, each state receives an allocation for each program based on a formula. The funds are then distributed to the institutions as a percentage of their recommended funding level for each program. If each state received an allocation that allowed each institution in the United States to receive approximately the same percentage of its request there would simply be the age-old problem of not enough available resources to meet the total need. This is a common phenomenon in any economic system. However, because of the vagaries of the

state allotment formulas, some States receive as little as fifteen percent of their institution's Recommended Funding Levels while other States receive as much as one hundred percent of their requests. This great disparity in funding needs to be examined in depth and is the main focus of this inquiry.

To study the effects and the problems of the state allotment formulas it is first necessary to understand the formulas as they presently exist.

The National Direct Student Loan State Allotment Formula. The N.D.S.L. state allotment formula is less complicated than the formulas for the other two programs. First implemented in 1958, it has not changed substantially since that time.

Apportionment of Appropriations

"Sec. 462. (a) (1) From 90 per centum of the sums appropriated pursuant to section 461 (b) (1) for any fiscal year, the Commissioner shall apportion to each State an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in institutions of higher education, as determined by the Commissioner for the most recent year for which satisfactory data are available to him, in such State, bears to the total number of persons so enrolled in all the States. The remainder of the sums so appropriated shall be apportioned among the States by the Commissioner in accordance with equitable criteria which he shall establish and which shall be designed to achieve a distribution of the sums so appropriated among the States which will most effectively carry out the purpose of this part, except that where any State's apportionment under the first sentence for a fiscal year is less than its allotment under section 202 (a) of the National Defense Education Act of 1958 for the fiscal year ending June 30, 1972, before he makes any other apportionments under this sentence, the Commissioner shall apportion sufficient additional sums to such State under this sentence to make the State's apportionment for that year under this paragraph equal to its allotment for the fiscal year ending June 30, 1972, under such section 202 (a). Sums apportioned to a State under the preceding sentence shall be consolidated with, and become a part of, its apportionment from the same appropriation under the first sentence of this paragraph.

(2) Any sums appropriated pursuant to section 461 (b) (2) for any fiscal year shall be apportioned among institutions of higher education in such manner as the Commissioner determines will best accomplish the purpose for which they were appropriated.

(b) (1) Any institution of higher education desiring to receive payments of Federal capital contributions from the apportionment of the State in which it is located for any fiscal year shall make an agreement under section 463 and shall submit an application therefor to the Commissioner, in accordance with the provisions of this part. The Commissioner shall, from time to time, set dates before which such institutions must file applications under this section.

(2) The Commissioner shall pay to each applicant under this subsection which has an agreement with him under section 463, from the amount apportioned to the State in which it is located, the amount requested in such application. Such payment may be made in such installments as the Commissioner determines will not result in unnecessary accumulations of capital in the student loan fund of the applicant

established under its agreement under section 463.

(c) (1) (A) If the total amount of Federal capital contributions requested in the applications from a State for any fiscal year exceeds the amount apportioned to that State, the request from each institution shall be reduced ratably.

(b) In case additional amounts become available for payments to student loan funds in a State in which requests have been ratably reduced under subparagraph (a), such requests shall be increased on the same basis as they were reduced, except that no request shall be increased above the request submitted under subsection (b) (1).

(2) If the amount of an apportionment to a State for any fiscal year exceeds the total amount of Federal capital contributions requested in applications from that State, such excess shall be available for reapportionment from time to time on such date or dates as the Commissioner shall fix. From the aggregate of such excess for any fiscal year, the Commissioner shall reapportion to each State in which requests were reduced under subparagraph (a) of paragraph (1) an amount which bears the same ratio to such aggregate as the total amount of such reduction in that State bears to the total amount of such reductions in all the States."[3]

Using the 1977-78 award year as an example, the following description and charts will illustrate the process used to distribute the funds for the N.D.S.L. program.

The institutions of post-secondary education were required to submit their Tripartite Applications for funds by October 18, 1976. A total of 3,340 institutions requested $831,223,485 for new Federal Capital Contributions. Chart III-A, column 1, lists those institutional requests by states. At the end of the Regional Review and appeals process, the final recommended funding levels were $544,362,125. In other words, $286,361,360 or roughly 34.5 percent of the requests were cut by the different review panels. Chart III-A, column 2, lists the results of those cuts. Column 3, of the same chart, shows the

---

[3](20 U.S.C. 1087bb) Enacted June 23, 1972, P.L. 92-318, sec. 137 (b), 86 Stat. 273, 274.

CHART III-A

N.D.S.L. FUNDING REQUESTS BY STATE (1978)

	Original Requests	Recommended Funding Levels	Adjusted Funding Levels	% Change of Requests
	$831,273,455	$544,262,125	$542,270,304	
Alabama	14,710,304	9,819,903	9,819,903	33.245
Alaska	853,309	90,863	90,863	89.352
Arizona	11,798,753	7,366,550	7,366,550	37.553
Arkansas	3,567,709	2,199,249	2,199,249	38.357
California	117,910,579	70,541,373	70,697,848	40.155
Colorado	19,853,233	16,910,421	16,840,668	14.177
Connecticut	11,111,219	8,054,748	8,054,748	27.508
Delaware	1,695,816	1,205,613	1,205,613	28.907
Dist. of Col.	7,651,491	5,167,148	5,167,148	32.469
Florida	18,449,800	13,391,452	13,347,736	27.405
Georgia	7,981,279	4,127,635	4,127,635	69.284
Hawaii	1,758,940	1,315,282	1,315,282	25.233
Idaho	2,262,826	1,433,436	1,433,436	36.653
Illinois	38,557,052	23,885,190	23,234,000	39.618
Indiana	17,734,005	14,538,420	14,538,420	18.320
Iowa	10,923,971	7,293,851	7,293,851	33.231
Kansas	7,185,754	5,176,313	5,176,313	27.964
Kentucky	6,759,080	4,467,768	4,467,768	33.890
Louisiana	8,481,686	5,604,947	5,604,947	33.917
Maine	10,124,006	7,602,751	7,602,751	24.904
Maryland	17,111,590	10,060,045	10,060,045	41.209
Massachusetts	55,812,751	38,769,678	38,570,820	30.536
Michigan	24,860,721	18,895,532	18,895,532	23.994
Minnesota	17,256,691	14,642,375	13,564,379	18.626
Mississippi	7,144,454	4,034,738	4,034,738	43.526
Missouri	14,008,119	9,858,633	9,630,094	29.549
Montana	1,063,377	1,066,246	1,066,246	(.270)
Nebraska	3,927,871	3,062,504	3,062,504	22.031
Nevada	1,608,317	885,995	885,995	44.912
New Hampshire	7,770,659	5,116,605	5,094,496	34.155
New Jersey	12,254,899	8,647,482	8,530,543	22.437
New Mexico	8,126,510	6,171,084	6,171,084	24.202
New York	82,066,567	41,296,904	41,119,675	49.679
North Carolina	14,210,392	7,762,102	7,762,102	45.377
North Dakota	4,536,316	4,111,569	4,111,569	9.363
Ohio	35,870,818	23,475,027	23,504,328	26.332
Oklahoma	8,020,297	5,997,098	5,997,098	25.873
Oregon	21,824,569	17,213,844	17,206,356	21.176
Pennsylvania	37,445,465	30,512,191	30,476,740	18.518
Rhode Island	7,159,660	5,485,556	5,485,556	23.382
South Carolina	3,437,743	2,013,792	2,013,792	41.078
South Dakota	5,929,456	5,093,996	5,039,996	14.090
Tennessee	11,509,971	9,161,496	9,161,496	20.397
Texas	18,689,207	11,794,055	11,694,853	36.894
Utah	2,986,618	2,811,244	2,811,244	5.872
Vermont	5,885,369	3,176,062	3,176,062	46.035
Virginia	10,342,912	6,158,390	6,032,120	40.458
Washington	27,603,943	15,236,132	15,207,490	44.805
West Virginia	5,319,585	3,391,872	3,391,872	36.238
Wisconsin	25,353,412	23,353,215	23,353,215	7.889
Wyoming	979,881	967,330	987,330	(.760)
Pacific Islands	0	0	0	0
Puerto Rico	9,689,145	4,543,832	4,543,832	53.104
Virgin Islands	36,329	24,384	24,384	32.897

final recommended funding levels by state when forty institutions, mostly proprietary ones, were found, for one reason or another, to be ineligible to participate in the programs and their levels were dropped from the figures. This resulted in a final total recommended funding level of $543,270,304 for the Federal Capital Contribution. The fourth column lists the percentage by which each State's original requests were cut by the Review Panels.

An appropriation of $310,500,000 was included in the Supplemental Appropriation Act of 1977 for new Federal Capital Contributions to the N.D.S.L. program for the 1977-78 award period.

The statute establishing the N.D.S.L. program specifies that ninety percent of the funds appropriated for the Federal Capital Contributions shall be apportioned by the Commissioner to each State in,

> "... an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in institutions of higher education... in such State, bears to the total number of persons so enrolled in all the States."[4]

Of the remaining ten percent, first it shall be used to raise each State to at least the level of its original allotment for Fiscal Year 1972. The remainder shall be allotted among the States according to criteria established by the Commissioner of Education. The regulatory procedure established by the Commissioner for the allotment of the remaining funds is to distribute these funds to the States in which the allotments made thus far constitute the lowest percentages fundable of the aggregate funding recommendations, thus establishing a uniform minimum State percentage fundable.

Chart III-B, column 1, shows how the $279,450,000 (90% of $310,500,000)

---

[4] Ibid.

was divided among the states by using figures obtained from the National Center for Education Statistics that included the full-time degree-credit and non-degree-credit enrollments in institutions of higher education, Fall, 1975, as well as the adjusted full-time enrollment in proprietary schools, Fall 1974-75.

Each State's allotment for the 1977-78 award period from the ninety percent portion was compared with its original allotment for Fiscal Year 1972 (column 2), to determine what additional funds would be needed to bring each State to the level of its original allotment for Fiscal Year 1972.[5] In nineteen States the allotment from the ninety percent portion exceeded the original Fiscal Year 1972 allotment, by the amount shown in column 3. In the remaining thirty-five States the ninety percent allotment was less than the original Fiscal Year 1972 allotment, by the amount shown in column 4. Each of the thirty-five States was then allotted additional funds to bring it up to the level of its original Fiscal Year 1972 allotments after that process. As the chart shows, a total of $19,097,619 of the total ten percent portion of $31,050,000 was required to bring each State to at least the level of its original allotment for Fiscal Year 1972.

The allotment thus far determined for each State was then compared with the recommended funding level of that State (column 6), to determine the percentage fundable in that State from the allotment made thus far (column 7).

The remaining amoung of $11,952,381 was allotted (column 9) to

---

[5]The Canal Zone received in 1972 an allotment of $19,503, but there are currently no institutions there eligible for funds. These funds were made available for reallotment (see column 15).

CHART III-B

N.D.S.L. APPROPRIATIONS (1978)

	(1) 90% of Appropriation	(2) 1972 Orig. St. Alot.	(3) Difference Between Columns 1 and 2	(4)	(5) Interim St. Allotment
	$279,450,000	$292,000,000	($12,547,619)	$19,097,619	$298,547,619
Alabama	4,735,935	4,329,888	(406,047)		4,735,935
Alaska	149,048	143,019	(6,029)		149,048
Arizona	3,475,075	3,025,951	(449,124		3,475,075
Arkansas	1,873,144	7,457,919		584,775	2,457,919
California	22,657,545	30,963,291	(1,694,254)		32,657,545
Colorado	4,126,600	4,163,216		36,616	4,163,216
Connecticut	3,441,323	3,790,537		349,214	3,790,537
Delaware	753,118	663,468	(89,650)		753,118
Dist. of Col.	1,889,871	2,167,676		277,805	2,167,676
Florida	8,216,275	7,872,683	(343,592)		8,216,275
Georgia	5,355,015	4,919,990	(435,025)		5,355,015
Hawaii	1,191,339	1,137,046	(54,293)		1,191,339
Idaho	1,027,916	1,220,847		192,931	1,220,847
Illinois	12,806,783	14,264,322		1,457,539	14,264,322
Indiana	6,144,760	7,496,071		1,351,311	7,496,071
Iowa	3,821,192	5,075,628		1,244,436	5,075,628
Kansas	3,337,825	4,125,849		788,024	4,125,849
Kentucky	3,895,449	4,117,819		222,370	4,117,819
Louisiana	4,517,739	4,863,504		345,765	4,863,504
Maine	1,163,598	1,175,287		11,689	1,175,287
Maryland	4,169,874	4,453,186		283,312	4,453,186
Massachusetts	10,059,736	10,510,277		450,541	10,510,277
Michigan	11,222,438	12,724,387		1,501,949	12,724,387
Minnesota	6,063,553	6,340,123		276,570	6,340,123
Mississippi	2,949,300	3,292,103		342,803	3,292,103
Missouri	5,921,151	6,686,416		765,265	6,686,416
Montana	995,321	1,233,084		237,763	1,233,084
Nebraska	2,081,744	2,719,537		637,793	2,719,537
Nevada	720,486	443,641	(276,845)		720,486
New Hampshire	1,178,271	1,228,222		49,951	1,228,222
New Jersey	6,593,473	5,036,568	(1,556,905)		6,593,473
New Mexico	1,473,940	1,570,800		96,860	1,570,800
New York	27,288,454	23,755,497	(3,532,957)		27,288,454
North Carolina	7,242,608	6,796,494	(446,114)		7,242,608
North Dakota	976,466	1,339,610		363,144	1,339,610
Ohio	11,397,510	13,598,996		2,201,486	13,598,996
Oklahoma	4,581,585	4,489,951	(91,634)		4,581,585
Oregon	3,532,126	3,944,044		411,918	3,944,044
Pennsylvania	13,033,230	14,293,876		1,260,646	14,293,876
Rhode Island	1,650,058	1,051,312	(148,746)		1,650,058
South Carolina	3,824,546	2,631,093	(1,193,453)		3,824,546
South Dakota	1,017,350	1,322,457		305,107	1,322,457
Tennessee	5,093,733	5,330,199		236,466	5,330,199
Texas	15,176,245	15,388,660		212,295	15,388,660
Utah	2,535,721	2,976,511		440,790	2,976,511
Vermont	855,608	901,213		45,605	901,213
Virginia	5,456,795	4,928,348	(528,447)		5,456,795
Washington	5,494,915	5,811,589		316,674	5,811,589
West Virginia	1,905,665	2,695,336		789,671	2,695,336
Wisconsin	6,450,697	7,300,992		850,295	7,300,992
Wyoming	439,938	578,575		138,637	578,575
Pacific Islands	125,116	50,368	(74,748)		125,116
Puerto Rico	3,331,926	2,114,959	(1,216,967)		3,331,926
Virgin Islands	20,871	18,082	(2,789)		20,871

CHART III-B

N.D.S.L. APPROPRIATIONS (1978)

	(6) Funding recommendation $543,270,304	(7) Original St. Percentage	(8) Revised St. Percentage	(9) Dist. of Remaining Funds $11,957,381	(10) Initial St. Allotment $310,500,000
Alabama	9,819,903	48.227820	48.227820		4,735,935
Alaska	90,863	100.000000	100.000000		149,048
Arizona	7,366,550	47.173711	47.173711		3,475,075
Arkansas	2,199,249	100.000000	100.000000		2,457,719
California	60,697,648	53.803404	53.803404		32,657,545
Colorado	16,849,068	24.708000	35.472636	1,813,505	5,977,021
Connecticut	8,054,748	47.059660	47.059660		3,790,537
Delaware	1,205,613	62.467641	62.467641		753,118
Dist. of Col.	5,167,148	41.951111	41.951111		2,167,676
Florida	13,347,736	61.555570	61.555570		8,216,275
Georgia	4,127,635	100.000000	100.000000		5,355,015
Hawaii	1,315,282	90.576698	90.576698		1,191,329
Idaho	1,433,434	85.169390	85.169390		1,220,847
Illinois	23,834,000	59.848628	59.848628		14,264,322
Indiana	14,538,420	51.560424	51.560424		7,496,071
Iowa	7,293,851	69.587766	69.587766		5,075,628
Kansas	5,176,313	79.706328	79.706328		4,125,849
Kentucky	4,467,768	92.167252	92.167252		4,117,819
Louisiana	5,604,947	86.771632	86.771632		4,865,504
Maine	7,602,751	15.458707	35.472636	1,521,609	2,696,896
Maryland	10,060,045	44.266064	44.266064		4,453,185
Massachusetts	38,570,820	27.249296	35.472636	3,171,810	13,682,087
Michigan	18,809,532	67.340718	67.340718		12,724,387
Minnesota	13,964,370	45.402141	45.402141		6,340,123
Mississippi	4,034,738	81.593972	81.593972		3,292,103
Missouri	9,630,094	69.432510	69.432510		6,686,416
Montana	1,066,246	100.000000	100.000000		1,233,084
Nebraska	3,062,504	88.801092	88.801092		2,719,537
Nevada	885,995	81.319421	81.319421		720,486
New Hampshire	5,094,496	24.108803	35.472636	578,930	1,807,152
New Jersey	8,530,543	77.292536	77.292536		6,593,473
New Mexico	6,171,084	25.454199	35.472636	618,246	2,189,046
New York	41,128,675	66.348974	66.348974		27,288,454
North Carolina	7,762,102	93.307303	93.307303		7,242,608
North Dakota	4,111,569	32.501479	35.472636	118,872	1,458,482
Ohio	23,504,328	57.857412	57.857412		13,598,996
Oklahoma	5,997,098	76.396701	76.396701		4,581,585
Oregon	17,206,356	22.922018	35.472636	2,159,505	6,103,549
Pennsylvania	30,476,740	46.900935	46.900935		14,293,876
Rhode Island	5,485,556	30.080050	35.472636	295,813	1,945,871
South Carolina	2,013,793	100.000000	100.000000		3,874,546
South Dakota	5,039,996	26.239247	35.472636	465,382	1,787,819
Tennessee	9,161,496	58.180443	58.180443		5,330,199
Texas	11,694,853	100.000000	100.000000		15,385,540
Utah	2,811,244	100.000000	100.000000		2,976,511
Vermont	3,176,062	28.375170	35.472636	225,420	1,126,633
Virginia	6,032,170	90.462308	90.462308		5,456,795
Washington	15,207,490	38.215307	38.215307		5,811,589
West Virginia	3,391,872	79.464555	79.464555		2,695,336
Wisconsin	23,353,215	31.263327	35.472636	983,009	8,284,001
Wyoming	987,330	58.599962	58.599962		578,575
Pacific Islands	0	0	0		125,116
Puerto Rico	4,543,832	73.328547	73.328547		3,331,826
Virgin Islands	24,384	85.593012	73.328547		20,671

CHART III-B

N.D.S.L. APPROPRIATIONS (1978)

	(11) Training Funds $145,206	(12) Adj. State Allotment $310,274,794	(13) Unmet Need $240,[illegible]5,317	(14) % of Unmet Need 100.0000	(15) Funds for Reallotment $7,50[illegible],807
Alabama	2,368	4,733,567	5,0[illegible]3,336	2.1156	
Alaska	75	148,973	0	0	58,110
Arizona	1,738	3,473,337	3,893,213	1.6193	
Arkansas	1,229	2,456,690	0	0	257,441
California	10,000	32,647,545	28,050,303	11.6670	
Colorado	2,989	5,974,032	10,875,636	4.5235	
Connecticut	1,895	3,788,642	4,266,106	1.7744	
Delaware	377	752,741	452,872	0.1884	
Dist. of Col.	1,084	2,168,592	3,000,556	1.2480	
Florida	4,108	8,212,167	5,135,569	2.1360	
Georgia	2,678	5,352,337	0	0	1,224,702
Hawaii	596	1,190,743	124,539	0.0518	
Idaho	610	1,220,237	213,197	0.0887	
Illinois	7,132	14,257,190	9,526,810	3.9853	
Indiana	3,748	7,492,323	7,046,097	2.9307	
Iowa	2,538	5,073,090	2,220,761	0.9237	
Kansas	2,063	4,123,786	1,052,527	0.4378	
Kentucky	2,059	4,115,760	352,008	0.1464	
Louisiana	2,432	4,861,072	743,875	0.3094	
Maine	1,348	2,695,548	4,907,203	2.0411	
Maryland	2,227	4,450,959	5,602,086	2.3300	
Massachusetts	6,841	13,675,246	24,895,574	10.3547	
Michigan	6,362	12,716,025	6,177,507	2.5694	
Minnesota	3,170	6,336,953	7,627,417	3.1725	
Mississippi	1,646	3,290,457	744,281	0.3096	
Missouri	3,343	6,683,073	2,947,021	1.2258	
Montana	617	1,232,467	0	0	166,221
Nebraska	1,360	2,718,177	344,327	0.1432	
Nevada	360	720,126	165,669	0.0690	
New Hampshire	904	1,808,248	3,288,248	1.3677	
New Jersey	3,297	6,590,176	1,940,367	0.8071	
New Mexico	1,095	2,187,951	3,983,133	1.6567	
New York	10,000	27,278,454	13,850,221	5.7607	
North Carolina	3,621	7,238,987	523,115	0.2176	
North Dakota	729	1,457,753	2,653,816	1.1038	
Ohio	6,739	13,592,197	9,912,131	4.1226	
Oklahoma	2,291	4,579,294	1,417,804	0.5897	
Oregon	3,052	6,100,497	11,105,859	4.6193	
Pennsylvania	7,147	14,286,729	16,190,011	6.7338	
Rhode Island	973	1,944,898	3,540,658	1.4727	
South Carolina	1,912	3,822,634	0	0	1,808,842
South Dakota	894	1,786,525	3,253,071	1.3530	
Tennessee	2,665	5,327,534	3,833,962	1.5946	
Texas	7,694	15,380,946	0	0	3,686,093
Utah	1,488	2,975,023	0	0	163,779
Vermont	563	1,126,070	2,049,992	0.8527	
Virginia	2,728	5,454,067	578,053	0.2404	
Washington	2,906	5,808,683	9,398,807	3.9092	
West Virginia	1,348	2,693,988	697,864	0.2903	
Wisconsin	4,142	8,279,859	15,073,356	6.2694	
Wyoming	289	578,286	409,044	0.1701	
Pacific Islands	0	125,116	0	0	125,116
Puerto Rico	1,666	3,330,260	1,213,572	0.5048	
Virgin Islands	10	20,861	3,523	0.0015	

CHART III-B

N.D.S.L. APPROPRIATIONS (1978)

	(16) Dist. of Re-alloted Funds $7,503,807	(17) Final State Allotment $310,354,794	(18) Final State Percentage
Alabama	158,877	4,892,444	49.822717
Alaska	0	90,863	100.000000
Arizona	121,606	3,594,943	48.880964
Arkansas	0	2,199,249	100.000000
California	876,169	33,523,714	55.252442
Colorado	339,707	6,313,739	37.470999
Connecticut	133,254	3,921,896	48.699487
Delaware	14,148	766,869	83.609881
Dist. of Col.	93,722	2,260,314	41.743946
Florida	160,409	8,372,576	67.776563
Georgia	0	4,127,635	100.000000
Hawaii	3,890	1,194,633	90.827138
Idaho	6,661	1,276,898	85.591524
Illinois	299,138	14,556,328	61.077794
Indiana	220,090	7,712,413	53.048435
Iowa	69,369	5,142,459	70.504051
Kansas	32,878	4,156,664	80.301638
Kentucky	10,994	4,126,754	92.387240
Louisiana	23,235	4,884,307	87.142787
Maine	133,283	2,848,831	37.471055
Maryland	175,204	4,676,103	45.985510
Massachusetts	777,618	14,452,864	37.470979
Michigan	192,957	12,910,982	68.328227
Minnesota	238,249	6,575,202	47.025561
Mississippi	23,250	3,313,707	82.129422
Missouri	92,055	6,775,128	70.353706
Montana	0	1,066,246	100.000000
Nebraska	10,754	2,728,931	89.107835
Nevada	5,182	775,308	81.863667
New Hampshire	102,712	1,908,960	37.471028
New Jersey	60,612	6,650,788	77.964416
New Mexico	174,415	2,312,366	37.470986
New York	432,617	27,711,071	67.376523
North Carolina	16,341	7,255,328	93.471176
North Dakota	82,893	1,540,646	37.471000
Ohio	309,599	13,901,796	59.145686
Oklahoma	44,285	4,623,579	77.096939
Oregon	246,901	6,447,398	37.471025
Pennsylvania	505,696	14,792,425	48.536769
Rhode Island	110,597	2,055,495	37.471042
South Carolina	0	2,013,792	100.000000
South Dakota	101,608	1,888,533	37.470923
Tennessee	119,751	5,447,285	59.458466
Texas	0	11,694,853	100.000000
Utah	0	2,811,244	100.000000
Vermont	64,036	1,190,106	37.471120
Virginia	18,054	5,472,121	90.716392
Washington	299,573	6,102,256	40.126648
West Virginia	21,801	2,715,789	80.067556
Wisconsin	470,820	8,750,679	37.470952
Wyoming	12,774	591,060	59.864483
Pacific Islands	0	0	0
Puerto Rico	37,910	3,368,170	74.176200
Virgin Islands	113	20,974	86.015420

the eleven States with the lowest percentage fundable of their recommended funding levels, raising them to a "floor" percentage of 35.4726363 (column 8). The resulting allotments, the sum of column 5 plus column 9, are shown in column 10. Column 10 becomes the "Initial State allotment."

Section 493 (d) of the Higher Education Act of 1965 authorized the developing of a State Student Financial Assistance Training Program. To fund that program .05 percent or $10,000, whichever is less, is set aside from each State's allotment for this purpose (column 11). The adjusted State allotments (10 minus 11) are shown in column 12.

Again, the statute specifies that the funds available for the reallotment (i.e., the amount by which the initial allotment to any State exceeds the aggregate recommendation for that State) be allotted among the remaining States in such a manner that each State's proportionate share of the amount available for reallotment is equal to its proportionate share of the total additional amounts needed.

Accordingly, the additional amount needed in each State (column 13), if any, was determined by subtracting the adjusted State allotment (column 12) from the funding recommendation (column 6). The percentage distribution by State of the additional amount needed, $240,425,317 is shown in column 14.

A total of $7,509,807 (column 15) was available for reallotment, from nine states. The amount reallotted to each of the remaining States (column 16) was then determined by multiplying that State's percentage by the total additional amount needed (column 14) by the amount of $7,509,807 available.

The final State allotments are shown in column 17. Each State's final allotment is the sum of its initial allotment (column 10) minus any funds not needed (column 15) or plus any reallotted funds received (column 16).

The College Work/Study State Allocation Formula. The state allotment formula for the C.W.S. Program is much more complex than the formulas for the other two programs. As was noted in Chapter II, the ninety percent portion is divided not by one formula, but is done by three separate methods. For this reason, the mathematics of this process is much more laborious.

Allotments to States

"Sec. 442. (a) From the sums appropriated to carry out this part for a fiscal year, the Commissioner shall (1) allot not to exceed 2 per centum among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part, and (2) reserve the amount provided by subsection (e). Ninety per centum of the remainder of such sums shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection--

(1) one-third shall be allotted by the Commissioner among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States

(2) one-third shall be allotted by the Commissioner among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103 (d) (3) of the Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all the States, and

(3) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in

families with annual incomes of less than $3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than $3,000 in all the States.

(c) Sums remaining after making the allotments provided for in other provisions of this section shall be allotted among the States by the Commissioner in accordance with equitable criteria established by him which shall be designed to achieve a distribution of the sums appropriated to carry out this part among the States which will most effectively carry out the purpose of this part, except that where a State's allotment under subsection (b) for a fiscal year is less than its allotment under that subsection for the fiscal year ending June 30, 1972, before he makes any other allotments under this subsection, the Commissioner shall allot sufficient additional sums to such State under this sentence to make the State's allotment for that year under subsection (b) equal to its allotment under such subsection for the fiscal year ending June 30, 1972. Sums allotted to a State under this subsection shall be consolidated with, and becomes a part of, its allotment from the same appropriation under subsection (b).

(d) The amount of any State's allotment which has not been granted to an eligible institution under section 443 at the end of the fiscal year for which appropriated shall be reallotted by the Commissioner in such manner as he determines will best assist in achieving the purposes of this Act. Amounts reallotted under this subsection shall be available for making grants under section 443 until the close of the fiscal year next succeeding the fiscal year for which appropriated.

(e) For purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

(f) From the appropriation for this part for each fiscal year the Commissioner shall reserve an amount to provide work-study assistance to students who reside in, but who attend eligible institutions outside of, American Samoa or the Trust Territory of the Pacific Islands. The amount so reserved shall be allotted to eligible institutions and shall be available only for the purpose of providing work-study assistance to such students."[6]

To demonstrate how this formula works in practice, the following description and charts illustrate the process for the 1977-78 award period.

Using the same Tripartite Application as was used for the N.D.S.L. program, the institutions submitted by October 18, 1976 their requests for funds. A total of 3,270 institutions applied for a total federal

---

[6] Ibid.

CHART III-C

C.W.S. FUNDING REQUESTS BY STATE (1978)

	Original Requests $829,139,903	Recommended Funding Levels $684,107,460	Adjusted Funding Levels $683,396,073	% Change Of Requests
Alabama	18,578,646	16,003,056	15,959,712	[illegible]
Alaska	755,105	472,684	472,684	37.402
Arizona	6,192,638	5,606,538	5,606,538	9.46[illegible]
Arkansas	5,647,540	5,029,650	5,029,650	10.937
California	95,835,939	67,314,668	67,286,478	29.677
Colorado	13,835,156	12,178,067	12,178,067	11.966
Connecticut	9,274,187	7,338,544	7,338,544	20.871
Delaware	1,223,936	1,112,498	1,112,498	9.105
Dist. of Col.	6,673,119	5,669,501	5,669,501	15.040
Florida	16,492,367	15,235,015	15,224,758	7.624
Georgia	10,143,549	9,338,711	9,338,711	10.522
Hawaii	2,248,677	1,908,702	1,908,702	15.119
Idaho	4,124,551	3,510,485	3,510,485	14.888
Illinois	39,890,476	28,977,861	28,967,520	27.318
Indiana	13,109,707	12,441,475	12,441,475	5.097
Iowa	11,254,745	10,911,876	10,911,876	3.046
Kansas	6,738,794	6,158,462	6,158,462	8.604
Kentucky	9,212,715	8,563,339	8,563,339	7.049
Louisiana	10,141,726	9,119,580	9,119,580	10.079
Maine	12,233,103	9,901,791	9,901,791	19.094
Maryland	14,746,817	12,212,962	12,212,962	17.182
Massachusetts	57,935,392	47,796,626	47,796,626	17.500
Michigan	28,346,598	25,366,217	25,366,217	10.514
Minnesota	21,903,813	20,156,337	19,950,537	7.971
Mississippi	11,037,824	10,547,754	10,547,754	4.871
Missouri	15,726,516	14,777,103	14,709,856	6.387
Montana	5,960,760	4,843,591	4,843,891	18.737
Nebraska	3,990,179	3,856,833	3,856,833	3.342
Nevada	1,383,691	1,179,092	1,179,092	14.787
New Hampshire	8,258,343	6,963,016	6,955,899	15.315
New Jersey	11,514,887	10,043,851	10,091,053	12.775
New Mexico	8,731,178	8,539,411	8,539,411	2.196
New York	77,766,323	52,008,665	51,964,886	33.122
North Carolina	19,039,708	18,056,770	18,056,770	5.161
North Dakota	4,960,616	4,385,027	4,385,027	11.607
Ohio	26,218,187	23,153,867	23,122,515	11.688
Oklahoma	9,589,245	8,816,217	8,844,038	18.490
Oregon	23,240,719	18,893,874	18,887,154	18.704
Pennsylvania	33,094,725	28,785,863	28,777,910	13.020
Rhode Island	6,539,809	5,245,352	5,245,352	19.793
South Carolina	7,968,677	7,415,177	7,415,177	6.946
South Dakota	7,706,289	6,499,629	6,499,629	15.658
Tennessee	12,035,148	11,276,763	11,270,463	6.301
Texas	31,815,494	26,928,537	26,924,716	15.360
Utah	4,254,952	3,575,662	3,575,662	15.965
Vermont	9,600,974	6,561,347	6,561,347	31.660
Virginia	10,792,252	9,631,113	9,562,389	10.759
Washington	24,182,770	17,768,814	17,768,814	26.523
West Virginia	6,448,203	6,190,294	6,190,294	4.000
Wisconsin	19,994,126	17,697,380	17,687,380	11.537
Wyoming	1,705,636	1,413,137	1,413,137	17.149
Pacific Islands	498,801	463,198	463,198	7.134
Puerto Rico	7,742,135	6,168,977	6,168,927	20.320
Virgin Islands	39,840	31,046	31,046	22.073

share of the C.W.S. Program of $329,139,903. Chart III-C, column 1, shows these requests by state. The Regional Review Panels and subsequent Appeals Panels cut a total of $145,032,443 or 17.5 percent from the original requests. Chart III-C, column 2, lists those adjusted recommendations by state. Of the institutions that applied to participate in the program, twenty-six institutions were found to be ineligible. The state figures were so adjusted. Chart III-C, column 3, reflects those adjustments by state, showing that a total of 3,244 institutions requested a federal share of $683,396,073 for the C.W.S. Program for the 1977-78 award period. The fourth column lists the percentage by which each State's original requests were cut by the Review Panels.

The Supplemental Appropriations Act, 1977, included $390,000,000 for the C.W.S. Program for the 1977-78 award period.

Of the total appropriation of $390,000,000 the full 2 percent ($7,800,000) was reserved for the outlying areas and an additional $700,000 was reserved for the students who live in American Samoa and the Trust Territories but attend eligible institutions outside those jurisdictions, leaving $381,500,000 to be distributed. By using the figures obtained from the National Center for Educational Statistics, $343,350,000 (90% of $381,500,000) was allotted to the States using the three formulas. The data used for each factor was: (1) full-time degree-credit and non-degree-credit enrollment in institutions of higher education, fall 1975; (2) the total estimated number of high school graduates in academic year 1974-75; and (3) the number of related children under eighteen in families with annual incomes of less than $3,000 in 1969. Chart III-D, column 1, lists those original allotments by State.

CHART III-D

C.W.S. APPROPRIATIONS (1978)

	(1) 90% Of Appropriation $351,150,000	(2) 1972 Orig. St. Alot. $237,400,000	(3) Difference (Column 2) ($113,750,000)	(4) Funding Recommendations $683,196,073	(5) Original St. Percentage
Alabama	7,715,347	5,302,37	1,[illegible]	1,[illegible]712	47.342746
Alaska	406,[illegible]99	223,401	[illegible]	472,[illegible]	85.913422
Arizona	3,702,802	2,163,160	1,539,642	5,[illegible]	66.844357
Arkansas	4,010,715	3,357,696	653,019	5,029,[illegible]	79.728863
California	33,787,348	19,625,311	14,162,037	67,[illegible]	50.214177
Colorado	4,143,315	2,[illegible]43,202	1,500,113	12,178,067	34.022764
Connecticut	4,218,740	2,537,476	1,681,264	7,331,544	57.487425
Delaware	910,026	520,542	389,484	1,112,498	81.807237
Dist. of Col.	1,594,175	1,110,472	483,703	5,609,501	28.118436
Florida	11,117,503	6,830,771	4,286,732	15,224,758	73.072527
Georgia	8,607,143	6,390,308	2,216,835	9,338,711	92.166205
Hawaii	1,295,874	796,559	499,315	1,900,702	67.812965
Idaho	1,737,450	1[illegible]99,577	337,873	3,510,495	35.250115
Illinois	15,956,957	10,371,320	5,585,637	28,967,520	55.05555[illegible]
Indiana	7,291,846	5,396,896	1,894,948	12,441,475	58.[illegible]0910
Iowa	4,365,613	3,925,939	439,674	10,911,[illegible]76	40.007905
Kansas	3,608,935	2,844,022	764,913	6,158,462	58.601238
Kentucky	6,473,532	4,770,515	1,703,017	8,563,339	75.595885
Louisiana	8,686,206	5,579,805	2,926,401	9,119,590	95.247673
Maine	1,541,935	1,156,396	385,539	9,901,791	15.572284
Maryland	5,810,913	3,549,625	2,261,288	12,212,962	47.579863
Massachusetts	9,463,983	5,863,354	3,600,629	47,716,104	19.833914
Michigan	13,740,727	9,157,777	4,582,950	25,366,217	54.169398
Minnesota	6,502,642	4,773,195	1,729,447	19,950,537	32.593819
Mississippi	6,350,976	4,885,174	1,465,802	10,547,754	60.211643
Missouri	7,587,141	5,420,293	2,166,848	14,[illegible]858	51.578615
Montana	1,283,151	933,670	6,349,481	4,843,891	26.490088
Nebraska	2,458,869	2,015,607	443,262	3,856,833	63.753577
Nevada	758,840	335,527	423,313	1,179,092	64.357598
New Hampshire	1,173,483	767,114	406,369	6,955,899	16.870328
New Jersey	9,261,017	5,111,397	4,149,620	10,001,053	92.[illegible]0419
New Mexico	2,484,194	1,548,112	936,082	8,539,411	29.090929
New York	28,878,467	16,923,121	11,955,346	51,964,886	55.573040
North Carolina	9,947,934	8,181,440	1,766,494	18,056,770	55.092544
North Dakota	1,170,969	1,067,895	103,074	4,385,027	26.703804
Ohio	15,650,696	10,424,770	5,225,926	23,122,515	67.685859
Oklahoma	5,100,378	3,522,127	1,578,251	8,944,038	57.670241
Oregon	3,523,919	2,401,584	1,122,335	18,887,354	18.657755
Pennsylvania	16,928,740	12,087,462	4,841,278	28,777,910	58.825467
Rhode Island	1,574,099	995,991	578,108	5,245,352	30.009406
South Carolina	5,947,659	4,483,023	1,464,636	7,415,177	80.206568
South Dakota	1,370,208	1,185,126	185,082	6,499,929	21.083326
Tennessee	7,483,092	5,964,544	1,518,548	11,270,463	66.395604
Texas	20,970,654	14,171,730	6,698,954	26,924,716	77.514964
Utah	2,281,402	1,532,910	748,492	3,575,662	63.803626
Vermont	798,132	613,709	184,423	6,561,347	12.164149
Virginia	7,761,541	5,605,999	2,155,542	9,562,369	81.167384
Washington	5,576,132	3,641,590	1,934,542	17,768,814	31.381565
West Virginia	3,300,848	2,934,188	366,660	6,190,294	53.322960
Wisconsin	7,095,491	5,012,671	2,082,820	17,687,380	40.116122
Wyoming	542,314	416,528	125,786	1,413,137	38.376605
Pacific Islands	7,800,000	4,748,000	3,052,000	463,[illegible]	100.000000
Puerto Rico				6,168,[illegible]27	100.000000
Virgin Islands				31,046	100.000000

CHART III-D

C.W.S. APPROPRIATIONS (1978)

	(6) Revised St. Percentage	(7) Dist. of Retaining Funds	(8) Initial St. Allotment	(9) Training Funds	(10) Adj. Initial St. Alot.
		$39,150,000	$399,300,000	$181,610	$399,118,390
Alabama	4[illegible]342646		7,715,347	3,858	7,711,489
Alaska	85.913392		406,059	203	405,856
Arizona	66.074357		3,702,802	1,851	3,700,951
Arkansas	70.735263		4,010,715	2,005	4,008,710
California	50.214177		33,787,348	10,000	33,777,348
Colorado	44.860374	1,319,872	5,463,167	2,732	5,460,435
Connecticut	57.467475		4,218,740	2,109	4,216,631
Delaware	81.800237		910,026	455	909,571
Dist. of Col.	44.860874	949,213	2,543,388	1,272	2,542,116
Florida	73.022527		11,117,503	5,559	11,111,944
Georgia	92.166285		8,607,143	4,304	8,602,839
Hawaii	67.852945		1,295,874	648	1,295,226
Idaho	44.860874	337,704	1,574,834	787	1,574,047
Illinois	55.025696		15,956,957	7,978	15,[illegible]8,979
Indiana	58.609160		7,291,044	3,646	7,287,398
Iowa	44.860874	528,550	4,895,163	2,448	4,892,715
Kansas	58.601238		3,609,935	1,804	3,607,131
Kentucky	75.595886		6,473,532	3,237	6,470,295
Louisiana	95.267873		8,686,206	4,343	8,681,863
Maine	44.860874	2,902,035	4,442,030	2,221	4,439,809
Maryland	47.579883		5,810,913	2,905	5,808,008
Massachusetts	44.860874	11,941,926	21,405,899	10,000	21,395,899
Michigan	54.169309		13,740,727	6,870	13,733,857
Minnesota	44.860874	2,447,343	8,548,985	4,475	8,545,510
Mississippi	0[illegible]1643		6,350,476	3,175	6,347,801
Missouri	5[illegible]8615		7,587,141	3,794	7,583,347
Montana	44.860874	899,861	2,173,012	1,087	2,171,925
Nebraska	63.753577		2,458,869	1,229	2,457,640
Nevada	64.357298		759,840	379	758,461
New Hampshire	44.860874	1,946,994	3,120,477	1,560	3,118,917
New Jersey	92.669419		9,261,017	4,631	9,256,386
New Mexico	44.860874	1,346,660	3,830,854	1,915	3,828,939
New York	55.573040		28,875,467	10,000	28,868,467
North Carolina	55.092544		9,937,934	4,974	9,942,960
North Dakota	44.860874	796,192	1,967,161	984	1,966,177
Ohio	67.685959		15,650,696	7,825	15,642,871
Oklahoma	57.670741		5,100,378	2,550	5,097,828
Oregon	44.860874	4,949,023	8,477,942	4,236	8,468,706
Pennsylvania	58.825467		16,928,740	8,464	16,920,276
Rhode Island	44.860874	779,012	2,353,111	1,177	2,351,934
South Carolina	80.206568		5,947,459	2,974	5,944,485
South Dakota	44.860874	1,545,582	2,915,790	1,458	2,914,332
Tennessee	66.395604		7,483,092	3,742	7,479,350
Texas	77.514964		20,870,684	10,000	20,860,684
Utah	63.803626		2,281,402	1,141	2,280,261
Vermont	44.860874	2,145,346	2,943,478	1,472	2,942,006
Virginia	83.167384		7,761,541	3,881	7,757,660
Washington	44.8[illegible]874	2,395,113	7,971,245	3,986	7,967,259
West Virginia	52.322960		3,300,848	1,650	3,299,198
Wisconsin	44.860874	839,222	7,934,713	3,967	7,930,746
Wyoming	44.860874	91,632	633,946	317	633,629
Pacific Islands	100.000000				
Puerto Rico	100.000000		7,800,000	3,332	7,796,668
Virgin Islands	100.000000				

CHART III-D

C.W.S. APPROPRIATIONS (1978)

	(11) Rev. Initial State %	(12) Funds for Reallotment $1,133,497	(13) Final State Percentage	(14) Dist. of Reallotment $1,133,497	(15) Final State Allotment $[illegible],399,000
Alabama	48.318472		48.318472		7,711,489
Alaska	85.870476		85.870476		405,596
Arizona	66.011342		66.011342		3,700,951
Arkansas	79.698401		79.698401		4,005,710
California	50.199310		50.199310		33,777,348
Colorado	44.838438		45.382096	66,207	5,526,662
Connecticut	57.458687		57.458687		4,215,631
Delaware	81.759338		81.759338		909,571
Dist. of Col.	44.838443		45.382096	30,822	2,572,938
Florida	72.986014		72.986014		11,111,944
Georgia	92.120197		92.120197		8,602,839
Hawaii	62.858995		67.858995		1,295,226
Idaho	44.838448		45.382096	19,095	1,583,132
Illinois	55.058144		55.058144		15,948,919
Indiana	58.579855		58.579855		7,288,198
Iowa	44.838440		45.382096	59,323	4,992,033
Kansas	58.571945		58.571945		3,607,131
Kentucky	75.558085		75.558085		6,470,295
Louisiana	95.200250		95.200250		8,681,863
Maine	44.838444		45.382096	53,831	4,493,640
Maryland	47.556097		47.556097		5,208,028
Massachusetts	44.839919		45.382096	758,706	21,654,595
Michigan	54.142315		54.142315		13,733,857
Minnesota	44.838442		45.382096	108,462	9,053,972
Mississippi	60.181542		60.181542		6,347,801
Missouri	51.552823		51.552823		7,583,347
Montana	44.838437		45.382096	25,334	2,198,259
Nebraska	63.721712		63.721712		2,457,640
Nevada	64.325854		64.325854		758,461
New Hampshire	44.838446		45.382096	37,816	3,156,733
New Jersey	92.554114		92.554114		9,256,336
New Mexico	44.838444		45.382096	46,425	3,875,364
New York	55.553796		55.553796		28,868,467
North Carolina	55.054998		55.054998		9,542,960
North Dakota	44.838424		45.382096	23,840	1,990,017
Ohio	67.652117		67.652117		15,642,871
Oklahoma	57.641408		57.641408		5,097,828
Oregon	44.838444		45.382096	102,680	8,571,386
Pennsylvania	58.796056		58.796056		16,920,276
Rhode Island	44.838440		45.382096	28,517	2,380,451
South Carolina	80.166461		80.166461		5,944,485
South Dakota	44.838436		45.382096	35,336	2,949,668
Tennessee	66.362402		66.362402		7,479,350
Texas	77.477824		77.477824		20,840,684
Utah	63.771716		63.771716		2,280,261
Vermont	44.838446		45.382096	35,671	2,977,677
Virginia	81.126798		81.126798		7,757,660
Washington	44.838440		45.382096	96,601	8,063,860
West Virginia	53.296305		53.296305		3,299,198
Wisconsin	44.838444		45.382096	96,158	8,026,004
Wyoming	44.836469		45.382096	7,683	641,312
Pacific Islands	)				463,198
Puerto Rico	100.000000	1,133,497	100.000000		6,168,927
Virgin Islands	)				31,046

Column 2 of that same chart lists the original allotments for each State for the Fiscal Year 1972. In all States the allotment from the 90% portion exceeded the Fiscal Year 1972 allotment by the amount shown in column 3. Therefore, no changes were made as a result of this provision in the Statute.

The allotment thus far determined for each State (column 1) was then compared with the funding recommendation for that State (column 4), to determine the percentage fundable in that State from the allotments made thus far (column 5). Using the procedure the Commissioner has set by regulation, the ten percent portion that was set aside at the beginning, $38,500,000 (381,500,000 times 10%) was allotted (column 7) to the eighteen States with the lowest percentage fundable of their recommended funding level, raising them to a "floor" percentage of 44.860874 (column 6). The resulting allotments, the sum of column 1 plus column 7, are shown in column 8.

Training funds not to exceed .05 percent or $10,000, whichever is less, are set aside for each State and the State's allotment is reduced by that amount. The funds transferred from the amount initially allotted to each State (column 8) are shown in column 9. The adjusted State allotments (column 8 minus column 9) are shown in column 12. The adjusted allotment for each State was then compared with the funding recommendation for that State (column 4) to determine a revised percentage fundable in that State from the allotments made thus far (column 11).

If a State's original allotment by formula exceeds the total

funds requested by the institutions of that State, they are reallotted amond the other States. The regulatory procedure for the reallotment established by the Commissioner is to distribute the funds available to the States in which the allotments made thus far constitute the lowest percentage fundable of the recommendations for such States, thus establishing a uniform State percentage fundable. A total of $1,133,497 (column 12) was available for reallotment from the outlying territories and was allotted (column 14) to the eighteen States with the lowest percentage fundable of their recommended funding level. The final State allotments (column 15) are the sums of the adjusted allotments (column 10) minus any funds available for reallotment (column 12) plus any reallotted funds (column 14). When column 9 is added to column 15, they represent the total distribution of the 1977-79 appropriation of $389,300,000 ($390,000,000 minus $700 for special students from the Pacific Islands).

The Supplemental Educational Opportunity Grant Program State Allotment Formula. It is important to note here that the S.E.O.G. Program is divided into essentially two different programs with separate appropriation and distribution processes. Appropriations under Section 413 A (b) (1) of the enabling legislation are for the Initial Year awards. An Initial Year award is made to a student who has not previously received any S.E.O.G. funds. Appropriations under Section 413 A (b) (2) of the enabling legislation are for Continuing Year awards. A Continuing Year award is made to a student who has previously received an S.E.O.G. award. So, typically a freshman student receives an I.Y. award and then receives a C.Y. award for the next three years.

The state allotment formula for the I.Y. section of this program is similar to the N.D.S.L. program formula with one important exception. While the N.D.S.L. program formula only counts full-time students, the S.E.O.G. I.Y. program formula counts part-time students as well as full-time students. The formula for the C.Y. S.E.O.G. program has been left entirely to the discretion of the Commissioner and will be described shortly.

Apportionment and Allocation of Funds

"Sec. 413D. (a) (1) (A) From 90 per centum of the sums appropriated pursuant to section 413A (b) (1) for any fiscal year, the Commissioner shall apportion to each State an amount which bears the same ratio to such sums as the number of persons enrolled full-time and the full-time equivalent of the number of persons enrolled part-time in institutions of higher education such State bears to the total number of such persons in all the States. The remainder of the sums so appropriated shall be apportioned among the States by the Commissioner in accordance with equitable criteria which he shall establish and which shall be designed to achieve a distribution of the sums so appropriated among the States which will most effectively carry out the purpose of this subpart, except that where any State's apportionment under the first sentence for a fiscal year is less than its allotment under the first sentence of section 401 (b) of this Act for the fiscal year ending June 30, 1972, before he makes any other apportionments under this sentence, the Commissioner shall apportion sufficient additional sums to such State under this sentence to make the State's apportionment for that year under this paragraph equal to its allotment for the fiscal year ending June 30, 1972, under such first sentence. Sums apportioned to a State under the preceding sentence shall be consolidated with, and become a part of, its apportionment from the same appropriation under the first sentence of this paragraph.

(B) If the Commissioner determines that the sums apportioned to any State under subparagraph (a) for any fiscal year exceed the aggregate of the amounts that he determines to be required under subsection (b) for that fiscal year for institutions of higher education in that State, the Commissioner shall reapportion such excess, from time to time, on such date or dates as he shall fix, to other States in such manner as the Commissioner determines will best assist in achieving the purposes of this subpart.

(2) Sums apportioned pursuant to section 413A (b) (2) for any fiscal year shall be apportioned among the States in such manner as the Commissioner determines will best achieve the purposes for which such sums were appropriated.

(b) (1) (A) The Commissioner shall, from time to time, set dates before which institutions in any State must file applications for allocation, to such institutions, of supplemental grant funds from the apportionment to that State (including any reapportionment thereto) for any fiscal year pursuant to subsection (a) (1).

(B) (i) From the sums apportioned (or reapportioned) to any State, the Commissioner shall allocate amounts to institutions which have submitted applications pursuant to subparagraph (A).

(ii) Allocations under division (i) by the Commissioner to such institutions shall be made in accordance with equitable criteria established by the Commissioner by regulation. Such criteria shall be designed to achieve such distribution of supplemental grant funds among such institutions within a State as will most effectively carry out the purposes of this subpart.

(2) The Commissioner shall, in accordance with regulations, allocate to such institutions in any State, from funds apportioned or reapportioned pursuant to subsection (a) (2), funds to be used as the supplemental grants specified in section 413A (b) (2).

(3) Payments shall be made from allocations under this subsection as needed."[7]

Once again, we will use the 1977-78 award period as an illustration of how the formulas work for these two sections of the S.E.O.G. Program.

Using the same Tripartite Application as was used for the N.D.S.L. and C.W.S. Programs, 3,737 institutions applied for a total of $777,075,524 of which $508,856,554 was for Initial Year funds and $268,218,970 was for Continuing Year funds. Chart III-E, columns 1 and 2, show those requests by state. After the Regional Panel Reviews and subsequent appeals the total recommended funding levels were reduced by

---

[7] Ibid.

CHART III-E

S.E.O.G. ORIGINAL REQUESTS

	Initial Year	Continuing Year	State Total
	$508,856,554	$268,217,970	$777,075,524
Alabama	8,711,051	4,140,[illegible]	12,851,599
Alaska	674,432	2[illegible]	563,101
Arizona	7,017,208	2,812,[illegible]	9,829,[illegible]75
Arkansas	1,162,980	95[illegible]	2,121,729
California	72,996,116	27,[illegible]3,711	100,[illegible]827
Colorado	9,404,565	4,704,[illegible]	14,109,103
Connecticut	6,223,908	3,611,655	9,835,563
Delaware	553,460	434,291	987,751
Dist. of Col.	3,828,034	2,181,622	6,010,656
Florida	8,422,878	5,151,028	13,573,906
Georgia	4,075,565	2,482,009	6,557,574
Hawaii	981,976	830,528	1,812,504
Idaho	1,137,200	730,730	1,867,930
Illinois	25,622,162	10,861,718	36,483,880
Indiana	7,983,617	5,223,838	13,207,455
Iowa	7,183,198	4,612,267	11,795,465
Kansas	3,302,823	2,498,062	5,800,885
Kentucky	3,754,922	1,922,351	5,697,273
Louisiana	4,335,573	1,985,631	6,321,204
Maine	7,413,850	6,759,321	14,173,171
Maryland	10,182,297	7,279,755	17,462,052
Massachusetts	22,797,857	14,686,50[illegible]	37,484,360
Michigan	18,884,278	13,326,887	32,221,165
Minnesota	16,639,494	7,871,746	24,511,240
Mississippi	5,446,729	3,538,057	8,984,786
Missouri	6,917,590	4,649,102	11,566,692
Montana	1,090,956	672,750	1,763,706
Nebraska	1,914,132	1,413,[illegible]13	3,327,745
Nevada	1,228,329	441,188	1,669,517
New Hampshire	4,156,522	3,614,034	7,770,556
New Jersey	8,314,616	4,478,113	12,792,729
New Mexico	3,818,460	3,038,688	6,857,148
New York	47,340,051	19,984,748	67,324,799
North Carolina	8,960,119	5,777,7[illegible]	14,737,8[illegible]
North Dakota	3,486,182	3,061,464	6,547,646
Ohio	19,989,976	9,765,533	29,755,509
Oklahoma	3,555,461	1,984,846	5,540,307
Oregon	14,606,609	4,915,095	19,522,504
Pennsylvania	17,616,147	13,110,650	30,726,797
Rhode Island	3,677,956	2,348,202	6,026,158
South Carolina	3,001,723	2,276,487	5,278,210
South Dakota	3,462,082	2,116,785	5,578,867
Tennessee	6,612,930	3,774,953	10,387,883
Texas	17,691,374	11,303,729	28,995,103
Utah	1,488,513	1,128,250	2,616,763
Vermont	5,506,470	3,891,086	9,397,556
Virginia	6,062,732	3,188,973	9,251,705
Washington	20,017,345	7,554,876	27,572,221
West Virginia	2,949,647	2,266,372	5,216,019
Wisconsin	20,207,483	10,156,818	30,364,301
Wyoming	707,231	497,927	1,205,158
Pacific Islands	47,285	32,542	79,827
Puerto Rico	15,651,964	3,942,601	19,594,565
Virgin Islands	29,200	9,193	38,393

$165,083,795 or 21.2 percent to $612,991,729. The I.Y. requests were reduced by $111,928,252 or 21.9 percent to $396,928,302. The C.Y. requests were reduced by $52,155,543 or 19.4 percent to $216,063,427. Chart III-F, columns 1 and 2 show these adjustments by State. Of the total applicant pool, sixty-two institutions were not eligible to participate for one reason or another. The resulting adjusted recommended levels were $396,124,990 for I.Y. awards and $216,003,533 for C.Y. awards totaling $612,128,523 for 3,675 institutions. Chart III-G shows the Initial Year levels (column 1), the C.Y. levels (column 2) and the total S.E.O.G. program adjusted recommended funding levels (column 3) by State.

The Supplemental Appropriations Act, 1977, included an appropriation of $250,093,000 for the S.E.O.G. Program, of which $134,832,000 was for I.Y. awards and $115,261,000 was for C.Y. awards. Using the figures obtained from the National Center for Educational Statistics $121,348,800 (90% of $134,832,000) was allotted to the States. Those figures included (1) full-time and full-time equivalent degree-credit and non-degree credit enrollment in institutions of higher education, Fall 1977; and (2) adjusted full-time enrollment in proprietary schools, Fall 1976. Chart III-H, column 1, shows that distribution by State.

Each State's allotment was then compared with its original allotment for the Fiscal Year 1972 (column 2). Every State's allotment for this 1977-78 award year was in excess of the original fiscal year 1972 allotment, so no adjustments were necessary. The initial state allotment for each state (column 1) was then compared with the Initial Year recommended funding level for that state (column 4) to determine the

CHART III-T

S.E.O.C. ORIGINAL RECOMMENDED FUNDING LEVELS (1978)

	Initial Year	Continuing Year	State Total	% of Change in State Totals
	$395,928,302	$216,062,427	$611,991,729	
Alabama	6,704,323	3,733,[illegible]	10,437,231	15.788
Alaska	650,092	189,709	839,791	11.770
Arizona	4,639,956	2,180,250	6,820,206	30.618
Arkansas	917,742	820,708	1,738,450	18.064
California	42,945,564	20,340,883	63,286,447	37.281
Colorado	8,171,572	3,195,993	11,367,565	19.431
Connecticut	4,717,561	2,914,581	7,627,142	22.755
Delaware	538,432	397,605	936,037	5.236
Dist. of Col.	3,153,209	1,543,771	4,696,980	71.851
Florida	7,288,026	4,719,544	12,007,570	11.539
Georgia	3,281,827	2,354,439	5,636,266	14.090
Hawaii	837,533	552,731	1,390,264	23.256
Idaho	959,342	614,754	1,574,096	15.730
Illinois	21,614,179	9,275,975	30,890,154	15.332
Indiana	7,538,554	5,142,951	12,681,505	2.619
Iowa	6,602,153	4,161,583	10,763,736	6.747
Kansas	3,027,703	2,036,751	5,064,454	12.6[illegible]
Kentucky	3,527,045	1,902,898	5,429,943	4.6[illegible]
Louisiana	3,001,889	1,847,247	4,849,136	23.206
Maine	6,920,077	4,474,303	11,394,380	19.886
Maryland	8,168,671	4,850,423	13,019,094	25.444
Massachusetts	19,163,931	11,855,532	31,019,463	17.247
Michigan	16,744,131	11,451,789	28,195,920	12.493
Minnesota	15,326,940	6,973,400	22,300,340	9.020
Mississippi	4,821,757	2,982,645	7,804,402	13.138
Missouri	5,396,810	3,513,721	8,910,531	22.964
Montana	992,882	568,123	1,561,005	11.493
Nebraska	1,758,543	1,155,371	2,913,914	12.436
Nevada	684,663	257,925	942,588	43.544
New Hampshire	4,084,297	2,747,471	6,831,768	12.081
New Jersey	5,369,826	3,412,761	8,782,087	31.351
New Mexico	3,654,357	2,373,341	6,027,698	12.096
New York	25,968,012	13,722,748	43,690,760	35.104
North Carolina	8,067,278	5,737,480	13,804,758	6.331
North Dakota	3,102,252	1,996,129	5,098.381	22.134
Ohio	16,517,473	9,195,157	25,712,630	13,857
Oklahoma	3,085,144	1,616,424	4,701,568	15.139
Oregon	12,102,667	4,406,776	16,509,443	15.434
Pennsylvania	15,579,567	11,401,590	26,981,157	12.190
Rhode Island	2,995,690	1,665,308	4,660,998	22.654
South Carolina	2,770,735	2,154,912	4,925,647	6.680
South Dakota	2,875,503	1,701,571	4,577,074	17.957
Tennessee	5,644,407	3,624,458	9,268,865	10.772
Texas	13,052,991	8,092,542	21,145,443	27.072
Utah	1,381,730	961,246	2,342,976	10.463
Vermont	4,947,721	3,183,417	8,131,138	13.476
Virginia	5,090,940	2,669,167	7,760,107	16.122
Washington	14,413,752	5,024,210	19,437,962	29.502
West Virginia	2,647,161	2,084,991	4,732,152	9.277
Wisconsin	19,123,485	9,497,762	28,621,247	5.741
Wyoming	702,746	481,620	1,184,366	1.725
Pacific Islands	48,552	26,512	75,064	5.567
Puerto Rico	9,492,525	2,348,438	11,840,963	39.571
Virgin Islands	29,484	9,283	38,767	(.974)

CHART VII-G

S.E.O.G. ADJUSTED RECOMMENDED FUNDING LEVELS (1978)

	Initial Year	Continuing Year	State Total
	$396,124,990	$216,003,533	$612,128,523
Alabama	6,784,523	3,653,608	10,437,131
Alaska	660,052	189,709	849,761
Arizona	4,639,956	2,180,250	6,820,206
Arkansas	917,742	820,708	1,738,450
California	43,004,441	20,300,583	63,305,024
Colorado	8,130,074	3,195,993	11,326,067
Connecticut	4,772,561	2,914,581	7,687,142
Delaware	538,432	397,605	936,037
Dist. of Col.	3,353,209	1,543,771	4,896,980
Florida	7,266,881	4,719,544	11,986,405
Georgia	3,201,827	2,434,435	5,636,980
Hawaii	837,533	552,731	1,390,264
Idaho	959,342	614,754	1,574,096
Illinois	21,590,643	9,275,075	30,865,718
Indiana	7,538,554	5,142,951	12,681,505
Iowa	6,602,153	4,161,583	10,763,736
Kansas	3,027,703	2,036,751	5,064,454
Kentucky	3,527,045	1,902,858	4,429,903
Louisiana	3,001,889	1,847,747	4,849,636
Maine	6,920,077	4,474,303	11,394,380
Maryland	8,168,671	4,850,423	13,019,094
Massachusetts	19,072,332	11,855,532	30,927,864
Michigan	16,744,131	11,451,789	28,195,920
Minnesota	15,746,132	6,954,066	22,700,198
Mississippi	4,821,757	2,982,645	7,804,402
Missouri	5,356,480	3,513,721	8,870,201
Montana	992,882	568,123	1,561,005
Nebraska	1,758,543	1,155,371	2,913,914
Nevada	684,663	257,925	942,588
New Hampshire	4,073,032	2,747,471	6,820,503
New Jersey	5,290,341	3,412,261	8,702,602
New Mexico	3,654,357	2,373,341	6,027,698
New York	29,633,877	13,772,748	43,406,625
North Carolina	8,067,278	5,737,480	13,804,758
North Dakota	3,102,252	1,996,129	5,098,381
Ohio	16,593,850	9,195,157	25,789,007
Oklahoma	3,135,144	1,616,424	4,751,568
Oregon	12,092,267	4,406,776	16,499,043
Pennsylvania	15,563,154	11,401,590	26,964,744
Rhode Island	2,995,690	1,665,308	4,660,998
South Carolina	2,770,735	2,154,912	4,925,647
South Dakota	2,875,503	1,701,571	4,577,074
Tennessee	5,624,407	3,624,458	9,248,865
Texas	12,911,735	8,092,542	21,004,277
Utah	1,381,730	961,246	2,342,976
Vermont	4,947,721	3,183,617	8,131,338
Virginia	4,998,690	2,669,167	7,667,857
Washington	14,389,272	5,024,710	19,413,982
West Virginia	2,638,175	2,084,991	4,723,166
Wisconsin	19,123,485	9,497,762	28,621,247
Wyoming	707,746	481,620	1,184,366
Pacific Islands	48,552	26,512	75,064
Puerto Rico	9,492,525	2,348,438	11,840,963
Virgin Islands	29,484	9,283	38,767

CHART III-H

O.E.O.O. APPROPRIATIONS (1978)

	(1) 90% of I.Y. Appropriation $121,348,800	(2) 1977 Orig. State Alot. $75,050,000	(3) Difference (1 minus 2) $46,298,800	(4) I.Y. Funding Recommendation $396,[illegible],990	(5) Original State % (I.Y.)
Alabama	1,989,858	1,136,295	853,563	6,784,[illegible]	29.330237
Alaska	89,951	37,532	52,419	660,[illegible]	13.037246
Arizona	1,657,954	794,102	858,852	4,[illegible],956	35.624546
Arkansas	759,012	645,033	123,979	917,742	83.793920
California	16,693,428	8,125,711	8,567,717	43,004,[illegible]1	36.[illegible]7917
Colorado	1,078,013	1,092,555	585,458	8,130,024	20.639705
Connecticut	1,512,564	994,752	527,812	4,712,561	32.30[illegible]632
Delaware	320,944	174,114	146,830	538,432	59.60[illegible]156
Dist. of Col.	876,397	568,864	307,533	3,153,209	27.79[illegible]13
Florida	3,552,571	2,066,032	1,468,539	7,266,861	48.[illegible]7254
Georgia	2,294,605	1,291,155	1,003,450	3,281,[illegible]	69.916528
Hawaii	507,061	298,396	208,665	837,523	60.542711
Idaho	412.211	320,388	91,823	959,[illegible]42	42.[illegible]957
Illinois	5,698,378	3,743,393	1,954,985	21,590,[illegible]43	26.[illegible]2013
Indiana	2,486,766	1,967,198	519,568	7,536,554	32.[illegible]7308
Iowa	1,470,538	1,331,999	138,539	6,602,153	22.273013
Kansas	1,389,265	1,082,749	306,516	3,027,703	45.[illegible]5115
Kentucky	1,566,243	1,080,641	485,602	3,527,045	44.[illegible]663
Louisiana	1,827,536	1,276,332	[illegible]1,204	3,001,889	60.679533
Maine	488,862	308,431	[illegible]0,431	6,920,077	7.[illegible]401
Maryland	1,938,213	1,168,652	769,561	8,168,671	23.[illegible]497
Massachusetts	4,277,483	2,758,217	1,519,266	19,072,332	22.427687
Michigan	4,495,493	3,339,267	1,156,226	16,744,131	26.845171
Minnesota	2,802,546	1,663,842	1,238,704	15,246,132	19.037[illegible]17
Mississippi	1,178,102	863,948	314,154	4,821,757	24.433044
Missouri	2,498,037	1,754,719	743,318	5,356,480	46.635794
Montana	384,414	323,599	60,815	992,882	38.[illegible]988
Nebraska	854,262	713,689	140,573	1,758,543	48.57[illegible]628
Nevada	341,802	116,425	225,[illegible]77	684,[illegible]63	49.927663
New Hampshire	468,794	322,323	146,471	4,073,032	11.509706
New Jersey	2,965,673	1,321,749	1,643,924	5,290,341	56.058258
New Mexico	599,368	412,226	187,142	3,654,357	16.401463
New York	11,890,067	6,234,166	5,655,901	29,683,877	40.055640
North Carolina	2,959,352	1,783,607	1,175,745	8,087,278	36.[illegible]2402
North Dakota	367,348	351,555	15,793	3,102,252	11.841733
Ohio	4,729,949	3,568,791	1,161,158	16,593,[illegible]50	28.[illegible]4223
Oklahoma	1,870,503	1,178,300	692,203	3,135,144	59.662427
Oregon	1,516,849	1,035,037	481,812	12,092,267	12.543959
Pennsylvania	5,363,739	3,751,149	1,612,590	15,563,154	34.404344
Rhode Island	690,188	393,990	296,198	2,995,690	23.039367
South Carolina	1,572,629	690,479	882,150	2,770,735	56.755550
South Dakota	380,793	347,053	33,740	2,875,503	13.242657
Tennessee	2,087,209	1,398,807	688,402	5,624,407	37.109850
Texas	6,662,368	4,038,448	2,623,920	12,911,735	51.599224
Utah	1,015,965	781,127	234,838	1,381,730	73.528475
Vermont	331,004	236,506	94,498	4,947,721	6.690030
Virginia	2,388,664	1,293,349	1,095,315	4,998,690	47.788800
Washington	2,321,560	1,525,138	796,422	14,368,272	16.135088
West Virginia	815,166	707,338	107,828	2,636,175	30.898880
Wisconsin	2,671,882	1,916,003	755,879	19,123,485	13.971732
Wyoming	180,007	151,836	28,171	702,746	25.614803
Pacific Islands	53,646	13,218	40,428	48,552	100.000000
Puerto Rico	1,270,997	555,030	715,867	9,492,525	13.388398
Virgin Islands	17,671	4,745	12,926	29,[illegible]4	59.934202

CHART III-H

S.E.O.G. APPROPRIATIONS (1978)

	(6) Revised I.Y. State %	(7) Dist. of Remain. Funds	(8) Initial I.Y. State Alot.	(9) Training Funds	(10) Revised State Alot.
		$13,483,200	$134,832,000	$63,653	$134,768,347
Alabama	29.520237		1,959,858	905	1,958,953
Alaska	26.045990	81,975	171,926	86	171,840
Arizona	35.624346		1,652,954	826	1,652,128
Arkansas	83.793513		769,012	385	768,627
California	39.817937		16,092,428	4,514	16,088,914
Colorado	26.045990	439,532	2,117,145	1,059	2,116,086
Connecticut	32.309632		1,522,564	761	1,521,803
Delaware	59.607156		320,944	160	320,784
Dist. of Col.	27.793513		876,397	438	875,959
Florida	48.857284		3,552,571	1,776	3,550,795
Georgia	69.918524		2,294,605	1,147	2,293,458
Hawaii	60.542211		507,061	254	506,807
Idaho	42.069097		412,711	206	412,505
Illinois	26.392813		5,608,378	2,849	5,605,529
Indiana	32.987308		2,486,766	1,243	2,485,523
Iowa	26.045990	249,058	1,719,596	860	1,718,736
Kansas	45.885115		1,389,265	695	1,388,570
Kentucky	44.406663		1,566,243	783	1,565,460
Louisiana	60.879533		1,827,536	914	1,826,622
Maine	26.045990	1,313,541	1,802,403	901	1,801,502
Maryland	26.045990	189,393	2,127,611	1,064	2,126,547
Massachusetts	26.045990	690,095	4,967,578	2,484	4,965,094
Michigan	26.840171		4,495,493	2,248	4,493,245
Minnesota	26.045990	1,068,460	3,971,006	1,986	3,969,020
Mississippi	26.045990	77,772	1,255,874	628	1,255,246
Missouri	46.635794		2,498,037	1,249	2,496,788
Montana	38.716988		384,414	192	384,222
Nebraska	48.577826		854,262	427	853,835
Nevada	49.922663		341,802	171	341,631
New Hampshire	26.045990	592,068	1,060,862	530	1,060,332
New Jersey	56.058258		2,965,673	1,483	2,964,190
New Mexico	26.045990	352,445	951,813	476	951,337
New York	40.055640		11,890,067	5,945	11,884,122
North Carolina	36.683402		2,959,352	1,480	2,957,872
North Dakota	26.045990	440,664	808,012	404	807,608
Ohio	28.504229		4,729,949	2,365	4,727,584
Oklahoma	59.662477		1,870,503	935	1,869,568
Oregon	26.045990	1,632,702	3,149,551	1,575	3,147,976
Pennsylvania	34.464344		5,363,739	2,682	5,361 057
Rhode Island	26.045990	90,059	780,257	390	779,867
South Carolina	56.758550		1,572,629	786	1,571,843
South Dakota	26.045990	368,160	748,953	374	748,579
Tennessee	37.100850		2,087,209	1,044	2,086,165
Texas	51.555324		6,662,368	3,331	6,659,037
Utah	73.528475		1,015,965	508	1,015,457
Vermont	26.045990	957,679	1,288,683	644	1,288,039
Virginia	47.795800		2,388,664	1,194	2,387,470
Washington	26.045990	1,426,008	3,747,568	1,874	3,745,694
West Virginia	30.559860		815,166	408	814,758
Wisconsin	26.045990	2,309,019	4,980,901	2,490	4,978,411
Wyoming	26.045990	3,030	183,037	92	182,945
Pacific Islands	100.000000		53,646	27	53,619
Puerto Rico	26.045990	1,201,525	2,477,422	1,236	2,471,186
Virgin Islands	59.934202		17,671	9	17,662

CHART III-H

S.E.O.G. APPROPRIATIONS (1978)

	(11) Revised State %	(12) Funds for Realot. $5,067	(13) Final I.Y. State %	(14) Dist. of Realot. $5,067	(15) Final State I.Y. Alot.
Alabama	29.315571		29.315571		$134,7[illegible],973
Alaska	26.033129		26.036413	22	1,[illegible],863
Arizona	35.606545		35.606545		171,822
Arkansas	83.751970		83.751970		1,[illegible],128
California	38.807257		38.807257		765,627
Colorado	26.032961		26.036413	281	16,[illegible],244
Connecticut	32.292484		32.292484		2,11[illegible],767
Delaware	59.577440		59.577440		1,571,893
Dist. of Col.	27.779922		27.779922		320,984
Florida	48.867845		48.867845		875,959
Georgia	69.883574		69.883574		3,550,795
Hawaii	60.511884		60,511884		2,2[illegible],438
Idaho	42.946624		42.946624		[illegible],007
Illinois	26.379627		26.379627		12,005
Indiana	32.970819		32.970819		5,7[illegible],[illegible]9
Iowa	26.032962		26.036413	228	2,4[illegible],523
Kansas	45.862160		45.862160		1,7[illegible],964
Kentucky	44.384463		44.384463		1,3[illegible],570
Louisiana	60.849085		60.849085		1,535,460
Maine	26.032976		26.036413	238	1,876,622
Maryland	26.032962		26.036413	282	1,801,740
Massachusetts	26.032968		26.036413	656	2,126,629
Michigan	26.834746		26.834746		4,965,750
Minnesota	26.032964		26.036413	526	4,483,245
Mississippi	26.052959		26.036413	167	3,[illegible],546
Missouri	46.612477		46.612477		1,755,413
Montana	38.697650		38.697650		2,496,788
Nebraska	48.553547		48.553547		384,222
Nevada	49.897687		49.897687		853,835
New Hampshire	26.032990		26.036413	139	341,631
New Jersey	56.030226		56.030226		1,050,471
New Mexico	26.032952		26.036413	126	2,[illegible],190
New York	40.035613		40.035613		951,463
North Carolina	36.665056		36.665056		11,884,122
North Dakota	26.032959		26.036413	107	2,957,872
Ohio	28.489977		28.489977		807,715
Oklahoma	59.632604		59.632604		4,727,584
Oregon	26.032968		26.036413	417	1,[illegible],568
Pennsylvania	34.447111		34.447111		3,148,393
Rhode Island	26.032967		26.036413	103	5,361,057
South Carolina	56.730182		56.730182		779,970
South Dakota	26.032976		26.036413	99	1,[illegible],843
Tennessee	37.091288		37.091788		[illegible]8,678
Texas	51.573526		51.573526		2,086,165
Utah	73.491710		73.491710		6,659,037
Vermont	26.032976		26.036413	170	1,o15,457
Virginia	47.761914		47.761914		1,288,209
Washington	26.032956		26.036413	496	2,387,470
West Virginia	30.883395		30.883395		3,746,190
Wisconsin	26.032969		26.036413	658	814,758
Wyoming	26.032877		26.036413	25	4,979,069
Pacific Islands	100.000000	5,067	100.000000		152,970
Puerto Rico	26.032968		26.036413	327	48,552
Virgin Islands	59.903677		59.903677		2,471,513
					17,662

CHART III-H

S.E.O.G. APPROPRIATIONS (1978)

	(16) C.Y. Funding Recommendation	(17) Initial C.Y. State Alot.	(18) Training Funds	(19) Final C.Y. State Alot.
	$216,003,533	$115,261,000	$57,630	$115,203,370
Alabama	3,653,008	1,949,271	975	1,948,296
Alaska	189,709	101,230	51	101,179
Arizona	2,180,250	1,163,397	582	1,162,815
Arkansas	820,708	437,936	219	437,717
California	20,300,323	10,832,395	5,416	10,826,979
Colorado	3,195,993	1,705,404	853	1,704,551
Connecticut	2,914,581	1,555,241	778	1,554,463
Delaware	397,605	212,165	106	212,059
Dist. of Col.	1,543,771	823,767	412	823,355
Florida	4,719,544	2,518,382	1,259	2,517,123
Georgia	2,354,439	1,256,345	628	1,255,717
Hawaii	552,731	294,941	147	294,794
Idaho	614,754	328,037	164	327,873
Illinois	9,275,975	4,949,725	2,475	4,947,250
Indiana	5,142,951	2,744,315	1,372	2,742,943
Iowa	4,161,583	2,220,650	1,110	2,219,540
Kansas	2,036,751	1,086,825	543	1,086,282
Kentucky	1,902,899	1,015,400	508	1,014,892
Louisiana	1,847,247	985,704	493	985,211
Maine	4,474,303	2,387,519	1,194	2,386,325
Maryland	4,850,423	2,588,220	1,294	2,586,926
Massachusetts	11,855,532	6,326,195	3,163	6,323,032
Michigan	11,451,789	6,110,755	3,055	6,107,700
Minnesota	6,954,066	3,710,738	1,855	3,708,883
Mississippi	2,982,645	1,591,560	796	1,590,764
Missouri	3,513,721	1,874,946	938	1,874,008
Montana	568,123	303,154	152	303,002
Nebraska	1,155,371	616,514	308	616,206
Nevada	257,925	137,631	69	137,562
New Hampshire	2,747,471	1,466,070	733	1,465,337
New Jersey	3,412,261	1,820,806	910	1,819,896
New Mexico	2,373,341	1,266,431	633	1,265,798
New York	13,722,748	7,322,555	3,661	7,318,894
North Carolina	5,737,480	3,061,560	1,531	3,060,029
North Dakota	1,966,129	1,065,148	533	1,064,615
Ohio	9,195,157	4,906,600	2,453	4,904,147
Oklahoma	1,616,424	862,535	431	862,104
Oregon	4,406,776	2,351,487	1,176	2,350,311
Pennsylvania	11,401,590	6,083,968	3,042	6,080,926
Rhode Island	1,665,308	888,620	444	888,176
South Carolina	2,154,912	1,149,876	575	1,149,301
South Dakota	1,701,571	907,970	454	907,516
Tennessee	3,624,458	1,934,036	967	1,933,069
Texas	8,092,542	4,318,237	2,159	4,316,078
Utah	961,246	512,928	256	512,672
Vermont	3,183,417	1,698,694	849	1,697,845
Virginia	2,669,167	1,424,285	712	1,423,574
Washington	5,024,210	2,680,954	1,340	2,679,614
West Virginia	2,084,991	1,112,566	556	1,112,010
Wisconsin	9,497,762	5,068,072	2,534	5,065,538
Wyoming	481,620	256,996	129	256,867
Pacific Islands	26,512	14,147	7	14,140
Puerto Rico	2,348,438	1,253,143	627	1,252,516
Virgin Islands	9,283	4,953	3	4,950

percentage fundable in that State (column 5) from the allotment made thus far. The remaining amount of $13,483,200 (10% of $134,832,000) was allotted (column 7) to the nineteen States with the lowest percentage fundable of their recommended funding level, raising each to a "floor" percentage of 26.045990% (column 6). The resulting allotments (column 1 plus column 7) are shown in column 8.

Each State is to set aside funds for training financial aid administrators, an amount equal to .05 percent of the State allotment or $10,000 whichever is less. The funds transferred are listed in column 9. The adjusted State allotments (column 8 minus column 9) are shown in column 10.

The allotment thus far determined for each State was then compared with the funding recommendation for that State (column 4), to determine the percentage fundable in that State (column 11) from the allotment made thus far.

When a State is allotted more funds by formula than it has requested, the difference is to be reallotted. A total of $5,067 (column 12) was available for reallotment from the outlying territories and was allotted (column 14) to the nineteen States with the lowest percentage fundable of the recommended funding level, raising these States to a "floor" percentage of 26.036413 percent (column 13). The final I.Y. State allotments (column 15) are the sum of the revised allotments (column 10) minus any funds available for reallotment (column 12) plus any reallotted funds (column 14).

The Continuing Year awards are allotted by the Commissioner by dividing the total amount of funds available for C.Y. awards by the

aggregate C. Y. funding recommendation, to determine a uniform national percentage for funding all States. For the 1977-78 award period, $115,261,000 was available, divided by a funding recommendation of $216,003,533 resulted in a uniform national percentage of 53.360701 percent. The funding recommendations for the C.Y. are shown in column 16, and the State allotments are listed in column 17. The result of this operation was that all institutions in the country received the same pro-rata share of their recommended amount.

As with the other programs, training funds were deducted from the State allotment (column 18). The adjusted final C.Y. State allotments (column 17 minus column 18) are shown in column 19. The amount of $115,203,370 (column 19) divided by the aggregate C.Y. funding recommendation of $216,003,533 (column 16) resulted in a uniform revised national percentage of 53.334022 percent.

The final state allotment was the sum of column 19 plus the training funds listed in columns 9 and 18.

A Comparison of the Formulas

As has been shown, the stare allotment formulas for the three programs are different from each other. Although the funds from each of these programs are intended for essentially the same group of students, the formulas, because they are different from each other, insure that the funds will not be distributed to the States uniformly. In addition, when each program is analyzed separately there are parts of each formula that appear to be internally inconsistent and are seemingly in contradiction with the stated objectives of the program.

Student Enrollments. In the previously cited formula used to distribute the N.D.S.L. funds, it states that,

"... the Commissioner shall apportion to each State an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in institutions of higher education, as determined by the Commissioner for the most recent year for which satisfactory data are available to him, in such State, bears to the total number of persons so enrolled in all the States." (Underlining mine.)

Similarly, one of the three formulas used in the distribution of funds under the C.W.S. program states that,

"... one third shall be allotted by the Commissioner among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States." (Underlining mine.)

However, the student enrollment figures used in the formula for distributing the I.Y. S.E.O.G. funds include not only full-time students but also students who are enrolled on a part-time basis.

"... the Commissioner shall apportion to each State an amount which bears the same ratio to such sums as the number of persons enrolled full-time and the full-time equivalent of the number of persons enrolled part-time in institutions of higher education in such State bears to the total number of such persons in all the States." (Underlining mine.)

Although on the surface this may not appear to be a significant difference, Chart III-I illustrates the wide variations in enrollment figures when the two different methods are employed. In the first column are the figures for the full-time student enrollments in each state. The second column lists the figures for the full-time student enrollments as well as the full-time equivalent student enrollments in each state. The third column demonstrates what percentage the full-time student enrollment is of the total enrollment in each state. The fourth column lists what percentage each state's enrollment figure is

CHART III-I

POST-SECONDARY ENROLLMENTS BY STATE (1974)

	Full-time Enrollments	F.T. + P.T. Enrollments	Column 1 Column 2	State as a % of Total (Column 1)	State as a % of Total (Column 2)
Totals	6,970,669	8,339,820			
Alabama	111,282	130,809	85.1	1.5964	1.5684
Alaska	5,305	8,426	62.9	.0761	.1017
Arizona	95,503	117,337	81.4	1.3701	1.4068
Arkansas	45,059	49,434	90.4	.6465	.5975
California	838,644	1,127,188	72.6	12.7441	13.5154
Colorado	105,325	119,624	88.0	1.5110	1.4344
Connecticut	92,670	112,804	82.2	1.3294	1.3526
Delaware	22,723	28,253	80.4	.3260	.3388
Dist. of Col.	50,886	63,021	80.7	.7300	.7556
Florida	199,229	242,641	82.1	2.8581	2.9094
Georgia	134,897	156,501	86.2	1.9352	1.8765
Hawaii	31,221	35,888	87.0	.4479	.4303
Idaho	26,548	29,837	89.0	.3808	.3578
Illinois	326,138	401,271	81.3	4.6797	4.8114
Indiana	171,434	192,835	88.9	2.4594	2.3122
Iowa	98,873	105,640	93.6	1.4184	1.2667
Kansas	84,396	96,623	87.3	1.2101	1.1586
Kentucky	96,031	106,433	88.3	1.3489	1.2762
Louisiana	115,010	128,599	89.4	1.6499	1.5419
Maine	28,789	32,709	88.0	.4130	.3922
Maryland	107,335	135,497	79.2	1.5398	1.6247
Massachusetts	261,006	300,614	86.8	3.7443	3.6045
Michigan	276,397	341,109	80.3	3.9364	4.0905
Minnesota	161,987	178,345	90.8	2.3238	2.1384
Mississippi	68,069	75,029	90.7	.9765	.8996
Missouri	137,545	161,263	85.3	1.9732	1.9336
Montana	26,921	28,603	94.1	.3862	.3430
Nebraska	53,057	62,231	85.3	.7611	.7462
Nevada	17,029	21,088	80.8	.2443	.2528
New Hampshire	30,846	33,307	92.6	.4425	.3994
New Jersey	169,503	211,878	80.0	2.4317	2.5399
New Mexico	38,334	44,661	85.8	.5499	.5355
New York	615,831	740,952	83.0	8.8339	8.8845
North Carolina	177,566	199,727	88.9	2.5473	2.3948
North Dakota	25,589	27,122	94.3	.3671	.3252
Ohio	298,250	343,118	86.9	4.2791	4.1142
Oklahoma	99,386	116,983	85.0	1.4258	1.4027
Oregon	89,087	108,000	82.5	1.2780	1.2950
Pennsylvania	339,737	386,737	87.7	4.8738	4.6372
Rhode Island	36,533	44,918	81.3	.5241	.5386
South Carolina	83,236	95,994	86.7	1.1941	1.1510
South Dakota	24,400	26,078	93.6	.3500	.3127
Tennessee	130,359	148,177	88.0	1.8705	1.7767
Texas	384,411	449,386	85.5	5.5150	5.3894
Utah	64,607	70,852	90.9	.9240	.8496
Vermont	22,246	24,260	91.7	.3191	.2909
Virginia	135,208	165,241	81.8	1.9377	1.9813
Washington	140,040	165,950	84.4	2.0091	1.9898
West Virginia	51,494	59,414	86.7	.7387	.7124
Wisconsin	166,245	192,108	86.6	2.3849	2.3035
Wyoming	11,312	14,090	80.3	.1623	.1688
Pacific Islands	2,509	3,249	80.0	.0373	.0390
Puerto Rico	68,906	75,941	90.7	.9885	.9106
Virgin Islands	541	1,001	54.1	.0078	.0120

of the national total using only the full-time student enrollment figures. And lastly, the fifth column lists what percentage the full-time and full-time equivalent student enrollments of each state is of the national total.

As you can see, most of the percentages vary only slightly. The variations are most pronounced in the very rural or the very urban states indicating that the more urban the state, the higher the number of part-time students.

Chart III-J shows what the effect would be of using the two different formulas on one program. The first column lists the funds each state actually received for F.Y. 1976 under the N.D.S.L. program using the formula that includes only full-time student enrollment figures. The second column lists the funds those states would have received had they been distributed using the full-time student enrollment figures as well as the full-time equivalent student enrollment figures used in the F.Y. S.E.O.G. formula. The third column indicates the plus or minus effect such a distribution would have had on each state's allocation. The last column shows the percent of change that would occur in each state.

As the charts indicate, states like California, Michigan, Maryland, New Jersey, and others who have a high number of part-time students would benefit by the inclusion of these students in the distribution formula. On the other hand, states like South Dakota, Iowa, Montana, and others who have a relatively low number of part-time students would not benefit by their inclusion into the formula. It is important to note that the differences between the alloted sums are

CHART III-J

THE EFFECTS OF INCLUDING P.T.-TIME STUDENT ENROLLMENTS IN THE N.D.S.L. PROGRAM FORMULA (FY 76)

	Original Allotments $298,000,000	New Allotments $298,000,000	Difference (3-1)	% Of Change Column 1 Column 2
Alabama	4,612,093	4,581,108	- 10,985	1.8
Alaska	219,866	192,367	+ 12,501	33.0
Arizona	3,958,131	4,064,245	+ 106,114	2.7
Arkansas	1,867,889	1,726,178	- 141,711	7.6
California	33,928,779	39,046,568	+ 5,117,789	15.1
Colorado	4,365,205	4,143,982	- 221,223	5.1
Connecticut	3,840,717	3,907,661	+ 66,944	1.7
Delaware	941,757	978,793	+ 37,036	3.9
Dist. of Col.	2,108,975	2,182,128	+ 73,953	3.5
Florida	8,257,055	8,405,257	+ 148,102	1.8
Georgia	5,590,819	5,421,208	- 169,611	3.0
Hawaii	1,293,957	1,243,137	- 50,820	3.9
Idaho	1,100,284	1,033,684	- 66,600	6.1
Illinois	13,516,821	13,900,134	+ 383,313	2.8
Indiana	7,105,098	6,679,946	- 425,152	6.0
Iowa	4,097,801	3,659,496	- 438,305	10.7
Kansas	3,497,800	3,347,195	- 150,605	4.3
Kentucky	3,897,124	3,686,942	- 210,182	5.4
Louisiana	4,766,600	4,454,549	- 312,051	6.5
Maine	1,193,163	1,133,066	- 60,097	5.0
Maryland	4,448,509	4,693,758	+ 245,249	5.5
Massachusetts	10,817,419	10,413,400	- 404,019	3.7
Michigan	11,372,410	11,840,566	+ 468,156	4.1
Minnesota	6,713,567	6,177,838	- 535,729	8.0
Mississippi	2,821,126	2,598,944	- 222,182	7.9
Missouri	5,700,566	5,586,170	- 114,396	2.0
Montana	1,115,743	990,927	- 124,816	11.2
Nebraska	2,198,952	2,155,772	- 43,180	2.0
Nevada	705,769	730,339	+ 24,570	3.5
New Hampshire	1,278,415	1,153,867	- 124,548	9.7
New Jersey	7,025,068	7,337,771	+ 312,703	4.5
New Mexico	1,588,756	1,547,059	- 41,697	2.6
New York	25,506,596	25,553,209	+ 46,613	0.2
North Carolina	7,359,240	6,918,577	- 440,663	6.0
North Dakota	1,060,539	939,503	- 121,036	11.4
Ohio	12,362,243	11,885,923	- 476,320	3.9
Oklahoma	4,119,062	4,052,400	- 66,662	1.6
Oregon	3,692,219	3,741,255	+ 49,036	1.3
Pennsylvania	14,064,476	13,396,870	- 667,606	4.7
Rhode Island	1,514,114	1,556,015	+ 41,901	2.8
South Carolina	3,449,774	3,325,239	- 124,485	3.6
South Dakota	1,011,260	903,390	- 107,870	10.7
Tennessee	5,403,985	5,132,886	- 271,099	5.0
Texas	15,931,951	15,567,087	- 364,864	2.3
Utah	2,669,354	2,454,494	- 214,860	8.0
Vermont	921,905	840,410	- 81,495	8.8
Virginia	5,603,708	5,723,976	+ 120,268	2.1
Washington	5,804,344	5,748,532	- 55,812	0.1
West Virginia	2,134,174	2,058,124	- 76,050	3.6
Wisconsin	6,890,040	6,654,812	- 235,228	3.4
Wyoming	468,827	487,663	+ 18,836	4.0
Pacific Irlands	107,797	112,071	+ 4,204	4.6
Puerto Rico	2,855,816	2,630,723	- 252,093	8.8
Virgin Irlands	22,422	34,668	+ 12,246	54.6

significant. California, for example, would have gained $5,117,789 if the I.Y. S.E.O.G. formula had been used, while Pennsylvania would have lost $667,606.

As has been previously mentioned, the formulas at times seem to be internally inconsistent. For example, in all three programs students attending college on a half-time or more basis are eligible to participate, yet only the I.Y. S.E.O.G. distribution formula takes those less-than-full-time students into consideration. In the original legislation creating the N.D.S.L. Program and the C.W.S. Program, only full-time students were declared eligible to receive funds from those programs. However, in 1972, amendments to the original legislation declared students attending college on a half-time or more basis were also eligible for these funds. Corresponding changes in the state allotment formulas for these two programs were not made to reflect the participation of these students. If student enrollment figures are to be used for the distribution of funds to the states for these programs, it would appear that to be internally consistent all students eligible to participate in the programs should be included in those enrollment figures.

A second question on this point. At the present time to be eligible for these three programs a student must be enrolled in an institution of higher education on a half-time or more basis. Yet, the formula used to distribute the funds for the I.Y. S.E.O.G. funds includes in its student enrollment figures all part-time students whether they are enrolled half-time or more or not. Again it would appear that to be internally consistent, the only students that

should be included in the enrollment figures are those that are eligible to participate in the programs, namely, student enrolled on a half-time or more basis.

A third point must also be considered. At the present time the N.D.S.L. and C.W.S. Programs are open to both graduate and undergraduate students. The S.E.O.G. Program is only open to undergraduate students. However, all three formulas include in their student enrollment figures both undergraduate and graduate students. It does not appear to be internally consistent to have the S.E.O.G. Program open only to undergraduate students yet have graduate students included in the formula for distribution of those funds to the States. Their inclusion can only serve to increase the flow of these funds to States with high graduate school enrollments rather than to States with relatively high undergraduate enrollments, the enrollments for which the program was intended.

There is one last issue that should be raised on the question of student enrollment figures. At the present time, the state enrollment figures for all of the programs include students from institutions of higher education who are not eligible or choose not to participate in these three programs. There are many institutions like schools of cosmetology, technical institutes, television repair schools, schools of practical nursing, and others who have chosen not to participate in these programs. Some have rejected them because of the complicated application, accounting, and reporting systems that have to be installed

if a college chooses to participate. For others, religious or moral reasons are given for not participating. Nonetheless, these ineligible students are included in the student enrollment count for each state. A state with large cities where these specialty schools tend to be more prominent benefit by their inclusion, while rural states, which traditionally have not had proportionately as many of these institutions, do not. While this does not represent a very significant number of students in proportion to the total number of students in each state, their inclusion can only serve to skew the distribution of funds.

High School Graduates. So far in this section we have focused on the student enrollment figures used in the state allotment formulas for the N.D.S.L., I.Y. S.E.O.G., and one-third of the C.W.S. programs. However, the C.W.S. program has two more elements in its total formula.

> "... one third shall be allotted by the Commissioner among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103 (d) (3) of the Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all the States,..." (Underlining mine.)

The only reason this examiner could find for the inclusion of this element in the allocation formula was that this same formula had been used to distribute the funds for the Higher Education Facilities Act of 1963. It had served as a convenient rationing device in the past and was a formula with which most Congressmen were familiar. However, it had nothing to do with the concept of student financial need or distribution equity.

There appear to be three significant problems with this element.

In the first case, students who graduate from high school do not necessarily go on to college. There is a wide variation between the States as to the continuation rates of high school graduates. This can result in inequitable situations for those students wh do continue as can be illustrated by the following example. State A and State B each have 100,000 high school graduates. In State A, 50,000 of those students go on to college in that state, but in State B only 25,000 students continue. If both states received the same state allocation based on the same number of high school graduates, students who go to college in State B would receive twice the amount of C.W.S. dollars as the students who go to college in State A, simply because there are half as many students in State B competing for the funds. So, students in State A are penalized because they come from a state where high school graduates as a whole opt for more education.

The second problem is that the number of high school graduates in a state who decide to continue their education does not necessarily determine the college population in that state. There are a number of states who have very few college spaces in relation to their population. Many of the students from these states cross the borders to other states to continue their education. This can result in the situation where a student who goes on to college in a state with few college openings can get more aid simply because there are fewer students in college.

To illustrate the point, let us assume that State A has 100,000 high school graduates of which 50,000 go on to school. Of that 50,000 continuing number 25,000 go out of state and 25,000 remain in state.

State B has also 100,000 high school graduates of which 50,000 go on to school. Of that 50,000, however, all of them stay within the state to attend college and are joined by the 25,000 students from State A.

Assuming both states received the same allocation based on the fact that they both had the same number of high school graduates, the result would be that the 25,000 students in State A would be competing for that State's allocation while in State B, 75,000 students would be competing for that state's allocation. Theoretically, students in State A would receive on an average three times as much aid as those students in State B. This example illustrates that students with the same financial need can receive substantially different financial aid awards on the basis of which state the college the students want to attend is located.

The third problem with this element is that the students of one state may come from families much better off economically than the students from another state. Again using State A and State B as examples, let us assume that State A has 100,000 high school graduates and that State B has an equal number. And let us assume also that 50,000 students go on to school in both states. However, in State A only 10,000 of those students cannot afford to pay the full cost of their education while in State B 25,000 students cannot meet the cost. Because both states receive the same allocation based on the number of high school graduates, once again students with basically the same financial need could receive drastically different aid packages.

Families with Incomes of $3,000 or Less. The third element in this three part C.W.S. program state allocation formula states that,

"... one third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than $3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than $3,000 in all the States." (Underlining mine.)

Of all of the elements in all of the state allotment formulas except that formula which distributes the C.Y. S.E.O.G. funds, this is the only one that at least partially introduces a factor of financial need. But, this element also has some rather serious problems.

In the first case, the fact that a state has a relatively high number of children from families whose annual income is less than $3,000 does not necessarily mean that those children eventually go on to higher education. Two different states with roughly the same proportion of these children may have considerably different continuation rates of those children.

Secondly, although the $3,000 annual income limit does give some measure as to the number of poor people in a state, families in different states might have higher incomes but be relatively in much worse financial trouble because of the different cost of living in that area. For example, $3,000 in Vermont will not go anywhere near as far as $3,000 in Florida. Housing, heating fuels, food, clothing and other items cost much more because of climate, geography, and other reasons. If this formula is to be used for the distribution of federal dollars, it would appear there should be a cost of living index included to reflect those higher costs in some areas.

The last issue on this point is a little more difficult to prove and to argue, but, nonetheless it should at least be raised. In the past, many students from minority families who have also been poor have been denied equal access to higher education in some states. Yet, these states are allowed to use the statistics of these children in their count toward their state allocation. This means that although the funds are intended to help those children in need of financial aid the most, these funds are channeled to the less needy because they are the only students allowed into the institutions of higher education.

The Continuing Year Supplemental Educational Opportunity Grant Program. In the formula used to distribute the C.Y. S.E.O.G. funds it states that these funds,

> "... shall be apportioned among the States in such manner as the Commissioner determines will best achieve the purposes for which such sums were appropriated."

As has been previously discussed, this section has been implemented by the Commissioner by a fairly straight-forward formula. All of the recommended funding levels for all of the institutions in the Nation are added together. This sum is divided by the appropriation passed by Congress. The resulting percentage figure is what each institution will receive of its recommended funding level. For the 1977-78 award period that percentage was 53.360701.

Although this process is probably the fairest way to distribute the available federal aid, it has two major drawbacks. As has been previously mentioned, some institutions have inflated their real student

needs. If the funds are distributed on the basis of a percentage of need and the need figures presented by some institutions are not real, dollars will flow to those institutions in an inequitable manner. However, because some institutions choose to defraud the government through this questionable practice does not mean that this method for distribution should be discarded.

Secondly, the recommended funding levels for this program are developed from student enrollment figures that include graduate and undergraduate students, yet the program is only for undergraduates. If the funds are to be disbursed on the basis of need, it seems that it should be undergraduate generated need.

The Amounts Allotted to Territories Other than States. This particular issue is one that is not handled consistently by the allocation formulas for the three programs. In the N.D.S.L. Program state allotment formula the statute specifies that the term "State" includes not only the fifty states, but also includes the District of Columbia, Guam, Puerto Rico, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands. The S.E.O.G. Program state allotment formula includes the same entities. However, the statute for the C.W.S. Program state allotment formula is not as simple. It specifies that portion of the appropriation for any fiscal year be reserved (a) in an amount not to exceed two percent of the total for institutions in the jurisdictions of Guam, Puerto Rico, the Virgin Islands, American Samoa, and the Trust Territories of the Pacific Islands, and (b) for students who live in the latter two jurisdictions but attend eligible institutions outside those jurisdictions.

in the case of the N.D.S.L. and S.E.O.G. programs students from these entities are subject to the same vagaries of the state allotment formulas as the students in the fifty states. However, the C.W.S. Program introduces some new elements that need to be examined. Using the 1977-78 award year as an example the following illustrates the effects of these provisions.

For that award period, the Congress appropriated $390,000,000 for the C.W.S. Program. The full two percent of that was reserved for these outlying areas which amounted to $7,800,000. In addition, another $700,000 was reserved for those students who reside in American Samoa or the Trust Territories of the Pacific and attend college in one of the other areas or States.

There are two basic problems with this distribution process for these areas. First, the students from these areas are being funded at one-hundred percent of their need while students in some of the States are being funded at as low as 45.382096 of their need. In the whole program, the recommended funding levels were $683,396,073 for 3,244 institutions. For the outlying areas, which are included in the above figures, twenty-two institutions had a recommended funding level of $6,663,171. But, these areas had been set aside $7,800,000. They had over one million dollars more than their need available to them! As they could only be funded at one-hundred percent of their need those extra funds were redistributed among the States. While all other institutions were funded at roughly fifty-seven percent of their need, these institutions were funded at [illegible]-hundred percent of theirs. This is obviously inequitable.

The second problem contributes even further to this inequitable position students from these areas enjoy. If students in American Samoa or the Trust Territories go on to higher education in one of the States or other areas, there is a $700,000 fund available to meet those students C.W.S. Program needs at the institutions in which they enroll. This sets up a terribly inequitable situation between students in the same institution. One set of students could be funded as low as forty-five percent of their need, while other students are funded at one hundred percent of their need. One more example of internal inconsistency in the state allotment formulas.

Raising States to their 1972 Award Level. In each formula there is a statement that "... before he makes any other apportionments under this sentence, the Commissioner shall apportion sufficient additional sums to such state under this sentence to make the state's apportionment for that year under this paragraph equal to its allotment for the fiscal year ending June 30, 1972 ..." In other words, no state can receive in the future less student aid in each program than it had received previous to June 30, 1972.

This qualification on the distribution formulas precludes equity from occurring. It does not allow funds to flow as a natural consequence of enrollment shifts between states. For example, in the N.D.S.L. formula, aid is distributed on the

basis of each state's full-time enrollment as compared to the full-time enrollment of all of the institutions in the country. If North Dakota's full-time enrollment dropped as a percentage of the national total and South Dakota's enrollment increased by that same amount and all other factors remained the same, there would be no shift of funds between the states because North Dakota was guaranteed that its award for N.D.S.L. funds would not decrease. This would mean that the average N.D.S.L. award would increase in North Dakota and would decrease in South Dakota. A student would receive a different package of aid based on geography, not need.

It is easy to understand in political terms why this qualifier was put into the language of the formulas. The law was written so that no state would lose funds. A quick review of the calculations of each formula in this chapter shows that the only way some states did not lose large amounts of aid funds was because of the inclusion of this sentence. Once again, it appears that the distribution formulas do not only consider what is best for the students of the nation as a whole, but in some part the formulas were adjusted to protect individual state awards.

The Ten Percent Discretionary Allowance. In the state allotment formulas for the N.D.S.L., C.W.S., and I.Y. S.E.O.G. Programs, the Commissioner has the authority to distribute ten percent of the appropriated funds in a way he or she feels will best carry out the purpose of the program, except that this portion shall

first be used to raise each State to at least the level of its original allotment for F.Y. 1972. The regulatory procedure the Commissioner has developed is to raise the state with the lowest percentage of funding to the percentage of funding of the next lowest state. Then, raising those two states' funding percentage to the funding percentage of the third lowest state, etc., until the discretionary funds are exhausted. For the 1977-78 award period nineteen states in the I.Y. S.E.O.G. Program were raised from a low of 6.690030 percent in Vermont to a floor of 26.036413 percent. The highest percentage for a state that year was 83.751970 for Arkansas. For the C.W.S. Program, eighteen states were raised from a low of 12.16149 in Vermont to a floor of 45.382096. For the N.D.S.L. Program, a different problem occurred. After the ninety percent distribution, thirty-five states had received less than their allotment for 1972. The Commissioner by statute is required to bring all states up to their original allotment level of F.Y. 1972 even though, in some cases, that results in those states receiving a higher percentage of their requests than some other states. A total of $19,097,619 of the total ten percent portion of $31,050,000 was required to bring each state up to its original F.Y. 1972 level. The remaining $11,952,381 was allotted to eleven states to bring the floor up to 35.472636 percent.

The discretionary allowance as it is now distributed, is a small attempt at achieving some equity between the states at least at the bottom end of the allocation scale. The

Commissioner's attitude has been the same in all cases where he or she has had any discretion, that is, a consistent move toward establishing as close as possible the same percentage of shortage throughout the system. This is best exemplified in the process by which the C.Y. S.E.O.G. funds are awarded. With the discretionary funds available in the other programs, the same kind of equity is at least attempted.

CHAPTER IV

AN EXAMINATION OF SOME ALTERNATIVES

Scarce resources are always a part of the human condition. It is no different with the funds available for student financial aid. Although the appropriations for aid have increased dramatically over the last few years and thousands of students are attending college who previously could never have afforded to attend, the simple fact remains that there are still students in our country who cannot enter college because of a lack of funds or are in college but are borrowing sums way beyond their means to eventually repay.

Because there is a shortage of funds, it is the responsibility of both the post-secondary institutions and the federal government to distribute those limited funds in an efficient and equitable manner. As has been previously shown, our present system of distribution precludes those goals from being met. Students with similar financial needs are being given widely disparate financial aid packages.

It is the purpose of this chapter to explore some of the alternative distribution systems that could be utilized.

The five different formulas to be examined will include the present College Work/Study Program formula, the National Direct Student Loan Program formula, the Initial Year Supplemental Educational Opportunity Grant Program formula, the Continuing Year Supplemental Educational Opportunity Grant Program formula, and lastly, a distribution formula based on the cumulative total by state of all of the B.E.O.G. awards granted to students in that state as compared to all B.E.O.G. awards granted to students nationally.

The College Work/Study Program Formula

As has been explained in previous chapters, there are presently four different formulas used to distribute the funds for the campus-based student aid programs. Each formula has its own history and reason or reasons for existence.

Joe L. McCormick has suggested ". . . that the C.W.S.P. state allotment formula be used in lieu of the other two existing formulae."[1] Although there are in fact four formulas, not three, the idea of having a single distribution formula for the program is not new. In 1972, the House of Representatives passed a bill that stipulated that the C.W.S.P. formula should be used to distribute the funds for all of the programs. The feeling at the time was that this formula offered a little of something to everyone. No one suggested this was a more equitable way to distribute aid, only that it was a more simple method and that because it is composed of three separate formulas it responded to almost all of the segments lobbying for aid. This formula has several major weaknesses that have already been discussed in Chapter III. The idea did not

---

[1] Joe L. McCormick, "Public Policy with Regard to the Need for Federal Financial Assistance to College Students: An Examination of the Allotment of Federal Dollars to Several States in the National Direct Student Loan Program, the Supplemental Educational Opportunity Grant Program, and The College Work/Study Program". (Masters of Arts Thesis, Mississippi State University, 1975). p. 42.

survive the conference committee when the House and Senate got together to hammer out their differences on this legislation.

However, there continues to be a group of people who feel that this formula is the best of the alternatives so far put forth and that even though there are weaknesses in the formula, they are outweighed by the resulting ease of implementation if only one formula was used. Because of the continuing discussion of this idea, Charts IV-A, IV-B, IV-C, and IV-C-1 were constructed to illustrate what would have happened during the 1977-78 award period if all of the campus-bound program funds had been distributed using the C.W.S.P. formula.

Chart IV-A demonstrates the effects this would have had on the distribution of the N.D.S.L. program funds. Column 1 shows what each state received for an allocation from the C.W.S. program for the 1977-78 award period. Column 2 indicates what percentage each state's allocation was of the total funds distributed to all of the states. Column 3 shows what each state's allocation originally was using the N.D.S.L. Program formula. Column 4 shows what that allocation would have been if the C.W.S. Program formula had been used. The difference between the current allocation and the allocation of the alternative is indicated in Column 5. Column 6 lists what percentage the new allocation is of the original allocation.

CHART IV-A

N.D.S.L. ALLOCATIONS USING C.W.S. FORMULA (1978)

	Original C.W.S. Alot. $388,301,000	State as % of Total (Column 1)	Original N.D.S.L. Alot $310,354,794	Column 2 X Total of Column 3	Difference Column 4- Column 3	% Change Column 5 Column 3
Alabama	7,711,469	1.9818	4,892,444	6,150,611	+ 1,258,167	25.7
Alaska	405,896	.1043	90,863	323,700	+ 232,700	256.2
Arizona	3,700,951	.9511	3,594,943	2,951,784	- 643,359	17.9
Arkansas	4,068,710	1.0302	2,199,249	3,197,275	+ 998,026	45.4
California	33,777,348	8.6805	33,523,714	26,940,247	- 6,583,467	19.6
Colorado	5,526,662	1.4203	6,313,739	4,407,969	- 1,905,770	30.2
Connecticut	4,216,631	1.0836	3,921,896	5,698,116	+ 1,776,218	45.3
Delaware	908,571	.2336	766,689	725,609	- 41,080	5.4
Dist. of Col.	2,572,938	.6612	2,260,314	2,052,066	- 208,248	9.2
Florida	11,111,944	2.8557	8,372,576	8,862,502	+ 490,226	5.8
Georgia	8,602,830	2.2108	4,127,635	6,861,323	+ 2,733,688	66.2
Hawaii	1,295,226	.3329	1,194,633	1,033,171	- 161,462	13.5
Idaho	1,593,132	.4094	1,226,898	1,270,592	+ 43,694	3.6
Illinois	15,948,979	4.0987	14,556,328	12,720,511	- 1,835,817	12.6
Indiana	7,209,198	1.8530	7,712,413	5,812,945	- 1,899,468	24.6
Iowa	4,952,038	1.2726	5,142,459	3,949,575	- 1,192,884	23.2
Kansas	3,607,131	.9270	4,156,664	2,876,989	- 1,279,765	30.8
Kentucky	6,470,295	1.6628	4,126,754	5,160,579	+ 1,033,825	25.1
Louisiana	8,681,863	2.2312	4,884,307	6,924,636	+ 2,040,329	41.8
Maine	4,493,640	1.1548	2,848,831	3,583,977	+ 735,146	25.8
Maryland	5,808,008	1.4926	4,626,163	4,632,355	+ 6,192	0.1
Massachusetts	21,654,545	5.5650	14,452,866	17,271,246	+ 2,818,380	19.5
Michigan	12,733,857	3.5295	12,910,982	10,952,972	- 1,957,010	15.2
Minnesota	9,053,972	2.3268	6,575,202	7,221,335	+ 646,133	9.8
Mississippi	6,347,801	1.6313	3,313,707	5,062,818	+ 1,749,111	52.8
Missouri	7,583,347	1.9488	6,775,128	6,048,194	- 726,934	10.7
Montana	2,198,259	.5649	1,066,346	1,753,194	+ 686,848	64.4
Nebraska	2,457,660	.6316	2,728,031	1,960,200	- 768,731	28.2
Nevada	758,461	.1949	725,308	604,881	- 120,427	16.6
New Hampshire	3,156,733	.8112	1,908,960	2,517,598	+ 608,638	31.8
New Jersey	9,256,386	2.3788	6,650,788	7,382,719	+ 731,931	11.0
New Mexico	3,875,364	.9959	2,312,366	3,090,823	+ 778,457	33.7
New York	28,868,467	7.4189	27,211,071	23,024,911	- 4,186,160	16.9
North Carolina	9,942,960	2.5552	7,255,328	7,930,185	+ 674,857	9.3
North Dakota	1,990,017	.5114	1,540,646	1,587,154	+ 46,508	3.0
Ohio	15,042,971	4.0700	13,901,796	12,476,262	- 1,425,534	10.3
Oklahoma	5,097,828	1.3101	4,623,579	4,065,958	- 557,621	12.1
Oregon	8,571,386	2.2028	6,447,398	6,836,495	+ 389,097	6.0
Pennsylvania	16,920,276	4.3484	14,792,425	13,495,467	- 1,296,958	8.8
Rhode Island	2,320,451	.6118	2,055,495	1,898,750	- 156,745	7.6
South Carolina	5,944,488	1.5277	2,013,792	4,741,290	+ 2,727,498	135.4
South Dakota	2,849,668	.7580	1,888,533	2,352,489	+ 463,956	24.6
Tennessee	7,479,350	1.9221	5,447,285	5,965,329	+ 518,044	9.5
Texas	20,860,684	5.3610	11,694,853	16,638,120	+ 4,943,267	42.3
Utah	2,250,961	.5960	2,911,244	1,818,679	- 992,565	35.3
Vermont	2,977,677	.7652	1,199,106	2,374,835	+ 1,184,729	99.5
Virginia	7,757,660	1.9936	5,472,121	6,187,233	+ 715,112	13.1
Washington	8,063,860	2.0723	6,102,256	6,431,482	+ 329,226	5.4
West Virginia	3,299,198	.8478	2,715,789	2,631,188	- 84,601	3.1
Wisconsin	9,026,994	2.0620	8,750,673	6,401,992	- 2,348,681	26.8
Wyoming	641,312	.1648	501,060	511,464	- 79,596	13.5
Pacific Islands	463,198	.1190	0*	369,322	+ 244,196	195.2
Puerto Rico	6,168,927	1.5853	3,369,170	4,920,054	+ 1,551,884	46.1
Virgin Islands	31,046	.0080	23,074	24,829	+ 3,954	18.4

As can be seen from the chart, using the C.W.S. Program formula for the distribution of the N.D.S.L. Program funds would result in some major shifts of funds between states. Of the 54 states and territories, 31 should increase in funding while 23 would record a decrease. Although states such as California and New York would lose large amounts of dollars, it is states in the mid-west such as Colorado, Kansas, Nebraska, and Utah who would lose the largest percentage of their original allocations. It would appear that states in the south would gain the most by using this formula. Most notable gains in terms of a percentage of the original allotment are in Arkansas, Georgia, Louisiana, Mississippi, Texas, and South Carolina. Alaska, Vermont, Montana, Puerto Rico, and Connecticut would also record significant positive changes. The reason for this change is that the N.D.S.L. Program formula distributes funds based on the full-time enrollment figures of the colleges in each state as compared to the total national full-time enrollment figures. The C.W.S. Program formula includes family income figures and high school enrollment figures as well, therefore states with a higher percentage of low-income families would benefit by this distribution. As the southern states have a lower per capita income, the funds would naturally flow to these states.

Chart IV-B illustrates what would have happened if the same C.W.S. Program formula had been used to distribute the I.Y. S.E.O.G. Program funds. Organized in the same fashion as Chart IV-A, this chart also demonstrates that some significant

CHART IV-B

I.Y. S.E.O.G. ALLOCATIONS USING C.W.S. FORMULA (1978)

	Original C.W.S. Alot. $389,300,000 (Column 1)	State as a % of Total (Column 1)	Original I.Y. S.E.O.G. Alot. $[illegible]	Column 2 X Total of Column 3	Difference Column 4 - Column 3	% Change Column 5 / Column 3
Alabama	7,711,499	1.9819	1,538,862	2,670,629	+ 631,936	[illegible]
Alaska	403,896	.1043	171,562	140,563	- 31,299	18.2
Arizona	3,700,951	.9511	1,652,128	1,381,782	- 370,346	22.4
Arkansas	4,008,710	1.0302	769,627	1,388,393	+ 619,766	80.6
California	33,777,348	8.6805	10,698,844	11,699,565	+4,[illegible]279	29.9
Colorado	5,526,662	1.4203	2,116,767	1,914,115	- 202,652	9.6
Connecticut	4,215,631	1.0836	1,521,903	1,460,249	- 61,454	4.0
Delaware	969,571	.2339	320,784	315,088	- 5,696	1.8
Dist. of Col.	2,572,936	.6612	875,959	891,093	+ 15,134	1.7
Florida	11,111,944	2.8557	3,550,795	3,848,579	+ 297,784	8.4
Georgia	8,602,939	2.2108	2,293,458	2,979,458	+ 686,000	29.9
Hawaii	1,295,296	.3329	506,507	448,644	- 58,103	11.5
Idaho	1,583,122	.4004	412,005	551,742	+ 139,737	33.9
Illinois	15,948,979	4.0997	5,695,529	5,523,750	- 171,779	3.0
Indiana	7,288,198	1.8730	2,485,523	2,524,211	+ 38,688	1.6
Iowa	4,952,038	1.2726	1,718,934	1,715,032	- 3,902	0.2
Kansas	3,607,131	.9270	1,389,570	1,249,302	- 139,268	10.0
Kentucky	6,470,295	1.6628	1,565,460	2,240,928	+ 675,468	43.1
Louisiana	8,681,863	2.2312	1,826,622	3,006,951	+1,180,329	64.6
Maine	4,493,640	1.1546	1,[illegible],740	1,536,305	- 245,435	13.8
Maryland	5,808,008	1.4926	2,126,829	2,011,552	- 115,277	5.4
Massachusetts	21,654,595	5.5650	4,9[illegible],750	7,499,858	+2,534,108	51.0
Michigan	13,733,857	3.5295	4,493,245	4,756,648	+ [illegible],403	5.8
Minnesota	9,053,972	2.3268	3,[illegible],546	3,135,789	- 933,757	21.0
Mississippi	6,347,801	1.6313	1,255,413	2,[illegible],476	+ 9[illegible],063	75.1
Missouri	7,523,347	1.9488	2,49[illegible],788	2,626,365	+ 129,577	5.2
Montana	2,198,259	.5649	3[illegible],222	761,306	+ 373,084	96.1
Nebraska	2,457,640	.6316	853,835	851,197	- 2,638	0.3
Nevada	758,461	.1949	341,631	[illegible],663	- 78,968	23.1
New Hampshire	3,156,733	.8112	1,060,471	1,093,240	+ 32,769	3.1
New Jersey	9,256,386	2.3788	2,964,190	3,205,869	+ 241,679	8.2
New Mexico	3,875,364	.9959	951,463	1,342,158	+ 390,695	41.1
New York	28,868,467	7.4159	11,[illegible],122	9,998,328	-1,[illegible],794	15.9
North Carolina	8,942,960	2.2552	2,257,[illegible]	3,443,600	+ 685,728	16.4
North Dakota	1,920,017	.5114	807,715	689,205	- 118,510	14.7
Ohio	15,642,871	4.0200	4,727,[illegible]	5,417,687	+ 690,103	14.6
Oklahoma	5,097,[illegible]	1.3101	1,869,[illegible]	1,765,600	- 103,[illegible]	5.6
Oregon	8,571,396	2.2028	3,148,393	2,968,677	- 179,716	5.7
Pennsylvania	16,920,276	4.3484	5,361,057	5,860,266	+ 499,209	9.3
Rhode Island	2,390,451	.6119	779,920	824,513	+ 44,593	5.7
South Carolina	5,944,485	1.5277	1,571,[illegible]	2,058,[illegible]	+ 487,013	31.0
South Dakota	2,910,[illegible]	.7590	748,678	1,021,[illegible]	+ 272,[illegible]	36.4
Tennessee	7,479,350	1.9221	2,[illegible],165	2,[illegible],382	+ 504,217	24.2
Texas	20,[illegible],684	5.3610	6,659,037	7,224,931	+ 565,894	8.5
Utah	2,280,261	.5860	1,015,457	789,742	- 225,715	22.2
Vermont	2,977,677	.7652	1,288,209	1,031,247	- 256,962	19.9
Virginia	7,757,[illegible]	1.9936	2,387,470	2,[illegible],742	+ 299,272	12.5
Washington	6,033,[illegible]	2.0723	3,746,[illegible]	2,792,[illegible]	- 953,[illegible]	25.4
West Virginia	3,299,193	.8478	814,758	1,142,[illegible]	+ 327,[illegible]	40.2
Wisconsin	8,026,[illegible]	2.0628	4,979,[illegible]	2,[illegible],001	-2,[illegible],[illegible]	44.2
Wyoming	651,312	.1648	182,970	222,[illegible]	+ 39,[illegible]	21.4
Pacific Islands	433,193	.1199	[illegible],552	160,[illegible]	+ 111,[illegible]	230.3
Puerto Rico	6,168,927	1.5853	2,471,513	2,136,482	- 335,031	13.5
Virgin Islands	31,046	.0080	17,[illegible]	10,781	- 6,881	39.9

changes would occur in the allocations to the states as a result of this formula change. Although both the total dollar shifts as well as the size of the percentage shifts are less pronounced as was the case with the N.D.S.L. Program, in some states the effect of that change is still significant.

Of the 54 states and territories, 29 would have received an increase in funding, while 25 would have experienced a reduction. Those with the biggest gains were southern states such as Alabama, Arkansas, Georgia, Louisiana, Mississippi, South Carolina, as well as states from other regions such as Idaho, Massachusetts, Montana, New Mexico, and South Dakota. The Pacific Islands are in a league by themselves. States such as California, Maine, Minnesota, Nevada, New York, North Dakota, Utah, Vermont, Washington, and Wisconsin record the largest losses.

The reason that the southern states would be the big gainers is really quite simple. As is the case with the N.D.S.L. Program formula, the I.Y. S.E.O.G. formula is driven by the full-time and part-time college enrollment figures. The C.W.S. Program formula includes a family income component that favors the low per capita income states of the south. Therefore, if the C.W.S. Program formula was used to distribute the I.Y. S.E.O.G. funds they would flow from the states with high enrollment figures as a percentage of the national figures to the states with a high percentage of low-income families.

Finally, Chart IV-C illustrates what would have happened if the C.W.S. Program formula had been used to distribute the C.Y. S.E.O.G. funds for this same award period. Organized in the same fashion as Chart IV-A and Chart IV-B, this chart shows

CHART IV-C

C.Y. S.E.O.G. ALLOCATIONS USING C.W.S. FORMULA (1978)

	Original C.W.S. Alot. $389,300,000	State as a % of Total (Column 1)	Original C.Y. S.E.O.G. Alot. $115,241,000	Column 2 X Total of Column 3	Difference Column 4- Column 3	% Change Column 5 Column 3
Alabama	7,711,489	1.9819	1,959,271	2,284,242	+ 324,971	17.2
Alaska	405,896	.1043	101,230	120,217	+ 18,987	18.7
Arizona	3,704,951	.9511	1,163,397	1,096,247	- 67,150	5.8
Arkansas	4,009,710	1.0302	437,936	1,187,419	+ 749,483	171.1
California	33,777,349	8.6785	10,532,395	10,[illegible]31	- 827,164	7.8
Colorado	5,526,662	1.4203	1,705,704	1,637,052	- 68,652	4.0
Connecticut	4,216,631	1.0836	1,555,241	1,243,968	- 311,273	19.7
Delaware	909,571	.2338	212,165	269,450	+ 57,315	27.0
Dist. of Col.	2,572,933	.6612	823,767	705,397	- 118,370	14.3
Florida	11,111,944	2.8557	2,518,382	3,291,508	+ 773,126	30.7
Georgia	8,602,839	2.2105	1,256,345	2,542,190	+ 1,291,[illegible]	102.8
Hawaii	1,295,226	.3329	294,941	383,704	+ [illegible]	30.0
Idaho	1,593,137	.4094	328,037	471,973	+ 143,941	43.8
Illinois	15,545,979	4.0987	4,949,735	5,748,036	+ 798,341	16.1
Indiana	7,288,199	1.8730	2,744,315	2,159,838	- 585,477	21.3
Iowa	4,952,038	1.2726	2,220,650	1,466,811	- 753,839	33.9
Kansas	3,607,131	.9270	1,[illegible]25	1,068,469	- [illegible]	1.7
Kentucky	6,470,295	1.6628	1,015,400	1,916,560	+ 851,160	83.7
Louisiana	8,681,863	2.2312	985,704	2,571,705	+ 1,585,999	160.9
Maine	4,493,669	1.1548	2,387,519	1,331,034	- 1,056,485	44.2
Maryland	5,809,008	1.4926	2,[illegible]3,220	1,720,386	- 867,834	33.5
Massachusetts	21,654,595	5.5650	6,326,195	6,414,275	+ 88,080	1.4
Michigan	13,733,857	3.5295	6,110,755	4,068,137	- 2,042,618	33.4
Minnesota	9,052,972	2.3268	3,710,736	2,681,893	- 1,[illegible]	27.7
Mississippi	6,367,301	1.6313	1,591,560	1,880,253	+ 288,693	18.1
Missouri	7,533,347	1.9486	1,874,946	2,246,205	+ 371,260	19.8
Montana	2,198,259	.5649	303,154	651,109	+ 347,955	114.8
Nebraska	2,457,640	.6316	616,514	727,988	+ 111,474	18.1
Nevada	758,661	.1949	137,631	224,643	+ 87,012	63.2
New Hampshire	3,156,733	.8112	1,466,070	934,997	- 531,073	36.2
New Jersey	9,256,386	2.3778	1,820,306	2,741,329	+ 921,023	50.6
New Mexico	3,375,344	.8959	1,266,431	1,147,884	- 118,547	9.4
New York	28,353,467	7.4159	7,322,555	8,551,099	+ 1,228,543	16.7
North Carolina	9,942,900	2.5552	3,[illegible]1,560	2,[illegible]5,149	- 116,411	3.5
North Dakota	1,999,017	.5114	1,065,143	589,445	- 475,703	44.7
Ohio	15,642,371	4.0190	4,906,600	4,633,492	- 273,108	5.6
Oklahoma	5,097,828	1.3101	862,535	1,510,034	+ 647,499	75.1
Oregon	8,571,336	2.2023	2,351,487	2,535,969	+ 187,482	8.0
Pennsylvania	16,920,276	4.3484	6,083,968	5,012,009	- 1,071,959	17.6
Rhode Island	2,390,651	.6118	889,620	705,167	- 183,453	20.6
South Carolina	5,946,485	1.5277	1,149,876	1,760,842	+ 610,966	53.1
South Dakota	2,949,628	.7580	907,970	873,673	- 34,292	37.8
Tennessee	7,479,350	1.9221	1,934,036	2,215,432	+ 281,396	14.5
Texas	20,360,624	5.3610	4,313,237	6,179,142	+ 1,860,905	43.1
Utah	2,220,261	.5360	512,928	675,429	+ 162,501	31.7
Vermont	2,977,677	.7652	1,698,694	881,977	- 816,717	48.1
Virginia	7,757,660	1.9936	1,424,286	2,297,843	+ 873,557	61.3
Washington	8,063,260	2.0723	2,[illegible]0,954	2,[illegible]3,454	- 292,400	10.9
West Virginia	3,299,198	.8478	1,112,566	977,133	- 135,383	12.2
Wisconsin	8,026,604	2.0623	5,[illegible]9,077	2,[illegible]7,604	- 2,[illegible]	53.1
Wyoming	641,312	.1648	256,996	189,950	- 67,046	26.1
Pacific Islands	443,195	.1139	11,147	132,160	+ 121,013	969.5
Puerto Rico	6,169,897	1.5853	1,253,143	1,827,233	+ 574,090	45.8
Virgin Islands	21,056	.0056	4,951	9,[illegible]	+ 4,[illegible]	86.2

that if this formula had been used there would have been some drastic shifts in allocations.

Of the 54 states and territories, 29 would have received increased funding while 24 would have experienced a reduction. However, it is the size of the shifts that is notable. For example, Arkansas, Georgia, Louisiana, and Montana would experience an increase of over 100 percent! Other states such as Kentucky, Nevada, New Jersey, Oklahoma, and Virginia also recorded significant gains. It is important to note that the principal benefactors of this change are the same states that benefited from the previous two examples. States that experienced pronounced decreases in funding include Indiana, Iowa, Maine, Maryland, Michigan, Minnesota, New Hampshire, North Dakota, Vermont, Wisconsin, and Wyoming. Those states tend to be from the north and tend to have educational institutions with high students budgets.

The C.Y. S.E.O.G. funds are distributed to the states on the basis of the relative financial needs of the students in each state as compared to the financial needs of all of the students in the nation as expressed in the tripartite application. Those states in the north with high per student educational costs usually receive the largest percentage of these funds. By using the C.W.S. Program formula, the funds shift southward.

If the C.W.S. Program formula was used to distribute the funds to the states for all of the campus-based programs, there would be some significant changes in the present state allotments.

In general, the funds would move dramatically into the southern states. Chart IV-C-1 shows that when compared to their original allotments states such as California, Colorado, Illinois, Indiana, Iowa, Michigan, New York, and others would lose large amounts of funds. However, states such as Alabama, Florida, Georgia, Louisiana, Massachusetts, Mississippi, Montana, South Carolina, Tennessee, Texas and others would experience dramatic increases. A quick glance at both the pluses and minuses that are a result of using this formula indicates why there has been and is going to be considerable debate over the present and future formulas. States stand to lose or gain large amounts of funds for their students and the politics of financial aid is such that these considerations all too often govern distribution systems.

Because the C.W.S. Program formula is only one of four formulas used to distribute the campus-based program funds, the question arises as to what would be the results if the other program formulas were the only ones used. The next three options illustrate what the results would have been if they had been used to distribute the funds for the three campus-based programs for the 1977-78 award period.

CHART IV-C-1

State Totals by Program If the C.W.S. Formula was used for all Programs

	C.W.S.	N.D.S.L.	I.Y. S.E.O.G.	C.Y. S.E.O.G.	St. Tot. C.W.S.P. Formula	Tot. St. Alot.Using Orig.Form.	Difference (6-5)
Alabama	7,711,489	6,150,611	2,670,839	2,234,242	15,767,181	16,542,067	+ 2,775,114
Alaska	405,896	323,709	140,563	120,217	990,376	769,851	- 220,525
Arizona	3,700,951	2,951,784	1,281,782	1,096,247	9,030,764	10,111,419	+ 1,080,655
Arkansas	4,005,710	3,197,275	1,388,383	1,187,419	9,781,787	7,414,522	- 2,367,265
Cal fornia	33,777,348	26,940,347	11,968,565	10,005,231	82,421,491	94,822,301	+12,400,810
Colorado	5,526,662	4,407,969	1,914,115	1,637,052	13,485,798	15,662,572	+ 2,176,774
Connecticut	4,216,631	5,608,114	1,460,349	1,248,968	12,624,062	11,215,571	- 1,408,491
Delaware	909,571	725,609	315,088	269,480	2,219,748	2,209,409	- 10,339
Dist. of Col.	2,572,938	2,052,056	891,088	705,397	6,221,489	6,532,978	+ 311,489
Florida	11,111,944	8,862,802	3,848,579	3,291,508	27,114,833	25,553,697	- 1,561,136
Georgia	8,602,839	6,861,323	2,979,458	2,548,150	20,986,810	16,280,277	- 4,706,533
Hawaii	1,295,276	1,033,171	448,644	383,704	3,160,745	3,291,607	+ 130,862
Idaho	1,593,132	1,270,592	551,742	471,678	3,887,344	3,560,072	- 327,272
Illinois	15,949,979	12,720,511	5,523,750	5,748,066	39,941,306	41,150,561	+ 1,209,255
Indiana	7,283,198	5,812,945	2,524,211	2,158,838	17,784,192	20,230,449	+ 2,446,257
Iowa	4,952,037	3,949,575	1,715,042	1,466,811	12,083,486	14,034,111	+ 1,950,625
Kansas	3,607,151	2,876,989	1,249,307	1,068,460	8,801,891	10,239,190	+ 1,437,299
Kentucky	6,470,295	5,160,579	2,240,926	1,916,560	15,788,362	13,177,909	- 2,610,453
Louisiana	8,681,853	6,924,636	3,008,951	2,571,703	21,185,153	16,378,446	- 4,806,697
Maine	4,493,640	3,583,977	1,555,305	1,331,034	10,964,956	11,531,730	+ 566,774
Maryland	5,808,008	4,632,355	2,011,552	1,720,386	14,172,301	15,149,220	+ 976,919
Massachusetts	21,654,545	17,271,244	7,499,668	6,414,275	52,839,922	47,399,404	- 5,440,518
Michigan	13,733,857	10,953,577	4,756,648	4,068,137	33,512,614	37,248,839	+ 3,736,225
Minnesota	9,053,972	7,221,335	3,139,789	2,685,893	22,092,989	23,309,456	+ 1,216,463
Mississippi	6,347,801	5,062,818	2,198,476	1,880,253	15,489,348	12,508,461	- 2,980,887
Missouri	7,583,347	6,048,194	2,626,365	2,246,206	18,504,112	18,730,209	+ 226,097
Montana	2,198,259	1,753,194	761,306	651,109	5,363,868	3,951,891	- 1,411,977
Nebraska	2,457,640	1,960,200	851,197	727,986	5,997,025	6,656,920	+ 659,895
Nevada	758,461	604,881	262,663	224,643	1,850,648	1,963,031	+ 112,383
New Hampshire	3,156,733	2,517,598	1,093,240	934,997	7,702,568	7,592,234	- 110,334
New Jersey	9,250,386	7,382,719	3,205,869	2,741,529	22,586,803	20,692,170	- 1,894,633
New Mexico	3,875,364	3,090,823	1,342,158	1,147,854	9,456,229	8,405,624	- 1,050,605
New York	28,886,467	23,024,911	9,998,328	8,551,098	70,442,804	75,786,215	+ 5,343,411
North Carolina	9,942,980	7,930,185	3,443,600	2,945,149	24,261,894	23,217,720	- 1,044,174
North Dakota	1,990,017	1,587,154	689,205	589,445	4,855,821	5,403,526	+ 547,705
Ohio	15,642,871	12,476,262	5,417,687	4,633,492	38,170,312	39,178,851	+ 1,008,539
Oklahoma	5,097,878	4,068,958	1,765,600	1,510,034	12,439,420	12,453,528	+ 14,108
Oregon	8,571,386	6,836,495	2,966,677	2,538,909	20,915,527	20,518,664	- 396,863
Pennsylvania	16,920,276	13,495,467	5,860,266	5,012,009	41,288,018	43,157,726	+ 1,869,708
Rhode Island	2,350,451	1,898,750	824,513	705,167	5,808,681	6,104,536	+ 295,855
South Carolina	5,944,485	4,741,290	2,058,856	1,760,842	14,505,473	10,879,996	- 3,625,477
South Dakota	2,949,668	2,352,489	1,021,544	873,673	7,197,374	6,494,869	- 702,505
Tennessee	7,479,350	5,965,329	2,590,382	2,215,432	18,250,493	16,946,636	- 1,303,857
Texas	20,860,684	16,638,120	7,224,931	6,179,142	50,902,877	43,532,811	- 7,370,066
Utah	2,260,261	1,818,679	789,742	675,429	5,564,111	6,619,690	+ 1,055,779
Vermont	2,977,677	2,374,835	1,031,247	881,977	7,265,736	7,154,686	- 111,050
Virginia	7,757,660	6,187,233	2,686,742	2,297,843	18,929,478	17,041,537	- 1,887,941
Washington	8,063,860	6,431,482	2,792,804	2,383,554	19,675,700	20,593,260	+ 916,560
West Virginia	3,299,198	2,631,188	1,142,566	977,183	8,050,135	7,942,311	- 107,824
Wisconsin	8,026,904	6,401,998	2,780,001	2,377,604	19,586,507	26,824,724	+ 7,238,217
Wyoming	641,312	511,464	222,098	189,950	1,564,824	1,672,338	+ 107,514
Pacific Islands	463,108	369,322	160,374	137,160	1,130,054	651,013	- 479,041
Puerto Rico	6,168,927	4,920,054	2,136,482	1,827,233	15,052,696	13,261,753	- 1,790,943
Virgin Islands	31,046	24,838	10,781	9,221	75,826	74,635	- 1,241

As has been previously explained in detail in Chapter III, the I.Y. S.E.O.G. Program funds are apportioned ". . . to each state an amount which bears the same ratio to such sums as the number of persons enrolled full-time and the full-time equivalent of the number of persons enrolled part-time in institutions of higher education such state bears to the total number of such persons in all the states." The limitations of this method to equitably distribute financial aid funds to the low-income students of this country have been discussed in Chapter III.

Chart IV-D, IV-E, IV-F, and IV-F-1 have been constructed to demonstrate what the results would have been if the I.Y. S.E.O.G. Program formula had been used to distribute the campus-based aid for the award year 1977-78.

Chart IV-D illustrates what would have happened if the funds appropriated for the C.W.S. Program had been allocated to the states based on the I.Y. S.E.O.G. Program formula. Column 1 shows what each state received for an original allocation from the I.Y. S.E.O.G. Program for the 1977-78 award period. Column 2 lists what percentage of each state's allocation was of the total funds distributed nationwide. Column 3 shows what each state's original allocation was for the C.W.S. Program using the present C.W.S. Program formula. Column 4 lists what the allocations would have been if the I.Y. S.E.O.G. Program formula had been used. Column 5 indicates the differences between the current allocations and the allocations of the alternatives. Column 6 indicates what percentage the new allocations are of the original allocation.

CHART IV- B

C.W.S. ALLOCATIONS USING I.Y. S.E.O.C. FORMULA (1978)

	Original I.Y. S.E.O.C. Alot. $134,768,347	State as a % of Total (Column 1)	Original C.W.S. Alot. $389,300,000	Column 2 X Total of Column 3	Difference Column 4- Column 3	% Change Column 5 Column 3
Alabama	1,988,863	1.4758	7,711,489	5,745,289	- 1,966,200	25.5
Alaska	171,862	.1275	405,896	496,358	+ 90,462	22.3
Arizona	1,652,178	1.2259	3,700,951	4,772,429	+ 1,071,478	28.9
Arkansas	769,627	.5703	4,008,710	2,220,178	- 1,788,532	44.6
California	16,688,844	12.3834	33,777,348	48,208,576	+14,431,228	42.7
Colorado	2,116,767	1.5707	5,520,662	6,114,735	+ 589,073	10.6
Connecticut	1,521,803	1.1292	4,215,631	4,385,976	+ 179,345	4.2
Delaware	320,784	.2380	909,571	926,534	+ 16,963	1.9
Dist. of Col.	875,959	.6499	2,572,938	2,530,061	- 42,877	1.7
Florida	3,550,795	2.6347	11,111,944	10,256,887	- 855,057	7.7
Georgia	2,293,458	1.7018	8,602,839	6,625,107	- 1,977,732	23.0
Hawaii	506,807	.3761	1,295,726	1,464,157	+ 168,931	13.0
Idaho	412,005	.3057	1,593,132	1,190,090	- 403,042	25.3
Illinois	5,695,529	4.2262	15,948,979	16,452,596	+ 503,617	3.2
Indiana	2,485,523	1.8443	7,288,198	7,179,860	- 108,338	1.5
Iowa	1,718,964	1.2755	4,952,038	4,965,521	+ 13,483	0.3
Kansas	1,388,570	1.0303	3,607,131	4,010,[illegible]8	+ 403,627	11.2
Kentucky	1,565,460	1.1616	6,470,295	4,522,[illegible]9	- 1,948,186	30.1
Louisiana	1,826,627	1.3554	8,681,863	5,276,572	- 3,405,291	39.2
Maine	1,801,740	1.3369	4,493,640	5,204,552	+ 710,912	15.8
Maryland	2,126,829	1.5781	5,808,[illegible]8	6,143,543	+ 334,525	5.8
Massachusetts	4,965,750	3.6846	21,654,595	14,344,147	- 7,310,448	33.8
Michigan	4,493,245	3.3340	13,733,857	12,979,262	- 754,595	5.5
Minnesota	3,969,566	2.9454	9,053,972	11,466,442	+ 2,412,470	26.6
Mississippi	1,255,413	.9315	6,347,801	3,626,329	- 2,721,472	42.9
Missouri	2,496,788	1.8526	7,583,347	7,212,172	- 371,175	4.9
Montana	384,222	.2851	2,198,259	1,109,894	- 1,088,365	49.5
Nebraska	853,835	.6335	2,457,640	2,466,215	+ 8,575	0.3
Nevada	343,631	.2535	758,461	986,875	+ 288,414	30.1
New Hampshire	1,060,471	.7869	3,156,733	3,063,402	- 93,331	2.9
New Jersey	2,964,190	2.1995	9,256,386	8,562,653	- 693,733	7.5
New Mexico	951,463	.7060	3,875,364	2,748,458	- 1,126,906	29.1
New York	11,884,122	8.8181	28,668,467	34,328,803	+ 5,460,396	18.9
North Carolina	2,957,872	2.1948	9,942,960	8,544,356	- 1,398,604	14.1
North Dakota	807,715	.5993	1,990,017	2,333,075	+ 343,058	17.2
Ohio	4,727,584	3.5079	15,642,871	13,656,254	- 1,986,617	12.7
Oklahoma	1,959,568	1.3872	5,097,878	5,400,369	+ 302,541	5.9
Oregon	3,148,393	2.3362	8,571,386	9,094,827	+ 523,441	6.1
Pennsylvania	5,361,057	3.9779	16,920,776	15,485,964	- 1,434,312	8.5
Rhode Island	779,970	.5787	2,380,451	2,252,879	- 127,572	5.3
South Carolina	1,521,863	1.1663	5,944,685	4,540,406	- 1,404,079	23.6
South Dakota	748,678	.5555	2,949,668	2,162,562	- 787,106	26.7
Tennessee	2,086,165	1.5479	7,479,350	6,025,975	- 1,453,375	19.4
Texas	6,659,037	4.9411	20,860,648	19,235,702	- 1,624,982	7.8
Utah	1,015,457	.7535	2,289,761	2,933,375	+ 653,114	28.6
Vermont	1,288,209	.9559	2,977,677	3,721,319	+ 743,642	25.0
Virginia	2,387,420	1.7715	7,757,669	6,896,449	- 861,212	11.1
Washington	3,746,199	2.7797	8,063,860	10,821,372	+ 2,757,512	34.2
West Virginia	814,758	.6046	3,299,198	2,353,708	- 945,490	28.7
Wisconsin	4,929,069	3.6575	8,026,904	14,382,688	+ 6,355,784	79.2
Wyoming	182,970	.1358	641,312	528,669	- 112,643	17.6
Pacific Islands	46,552	.0360	463,198	140,148	- 323,050	69.7
Puerto Rico	2,471,513	1.8339	6,168,927	7,139,373	+ 970,446	15.7
Virgin Islands	17,667	.0131	31,646	50,998	+ 19,952	64.3

This chart demonstrates that some pronounced changes would occur if the C.W.S. Program funds were distributed using the I.Y. S.E.O.G. Program formula. Of the 54 states and territories, 39 of them would experience a decrease in funding, while 25 would have had increases in funding. It is not the number of states that show pluses or minuses that is important in this case. What is important to point out is the drastic changes in allocations some states would experience. The increases using this formula are almost a direct reversal of the decreases experienced in the previous example. States such as California (+$14,431,228), Minnesota (+$2,412,470), and Wisconsin (+$6,355,784) have the most to gain from using this formula. States such as Alabama (-$1,966,200), Arkansas (-$1,788,532), Georgia (-$1,977,732), Louisiana (-$3,405,291), Massachusetts (-$7,310,448), Mississippi (-$2,721,472), Nebraska (-$1,088,365) and the Pacific Islands (-$323,050) would have the most to lose. The southern states as a group would stand to lose most if this option were adopted, those states with high numbers of low-income families but low numbers of students enrolled in higher education. Such a formula would allow funds to flow to those states where the students choose to enroll in higher education institutions. Also, states with high continuation rates from high school to college would receive more funds than those states with many low-income families and/or many students being graduated from high school and not continuing to college. One of the drawbacks to this idea, of course, is that this formula does not consider the cost of education.

Chart IV-E illustrates what would have happened if the funds for the N.D.S.L. program had been distributed using the I.Y. S.E.O.G. formula. Column I lists the original I.Y. S.E.O.G. allotment by state; Column II lists what percentage each state is of the total in Column I; Column III lists the original N.D.S.L. allotment by state; Column IV lists the results of multiplying Column I by Column III: Column IV lists the difference between the projected allotment and the original; and Column VI shows the change using percentages.

As was the case in Chart IV-D, there would have been some dramatic shifts in funds if the I.Y. S.E.O.G. formula had been used to distribute the N.D.S.L. funds. There would have been thirty-three states that would have experienced increases while twenty-one would have had their funds decreased. States such as Alaska (+335.5%), Vermont (+149.3%), Puerto Rico (+69%), and South Carolina (+79.7%) would have recorded the greatest increases while states such as West Virginia (-30.9%), Wyoming (-28.7%), Nebraska (-28.0%), and Indiana (-25.8%) would have recorded the greatest losses. Those states with a low number of part-time students would have experienced decreases because of the formula that drives the I.Y. S.E.O.G. program.

Chart IV-F shows what would have happened if the C.Y. S.E.O.G. funds had been distributed using the I.Y. S.E.O.G. formula. This chart is organized in the same manner as the previous two charts. Again, significant shifts in funds would have occured. States such as Nevada (+112.3%), Oklahoma (+85.4%),

CHART IV-E

N.D.S.L. ALLOCATIONS USING I.Y. S.E.O.G. FORMULA (1978)

	Original I.Y. S.E.O.G. Alot. $134,768,347	State as a % of Total (Column 1)	Original N.D.S.L. Alot. $310,354,794	Column 2 X Total of Column 3	Difference Column 4- Column 3	% Change Column 5 Column 3
Alabama	1,988,863	1.4758	4,582,444	4,580,216	- 312,228	6.4
Alaska	171,862	.1275	90,863	395,702	+ 304,702	335.4
Arizona	1,652,128	1.2259	3,384,943	3,504,639	+ 209,696	5.6
Arkansas	768,627	.5703	2,199,249	1,779,953	- 429,296	19.5
California	16,688,844	12.3834	33,525,714	38,432,475	+2,908,761	14.6
Colorado	2,116,767	1.5707	6,313,739	4,874,743	-1,438,996	22.8
Connecticut	1,521,803	1.1292	3,621,796	3,387,526	- 417,370	10.6
Delaware	320,784	.2380	766,889	738,644	- 28,245	3.7
Dist. of Col.	875,959	.6499	2,260,314	2,016,936	- 243,378	10.6
Florida	3,350,795	2.6347	8,372,576	8,170,918	- 185,658	2.3
Georgia	2,293,458	1.7018	4,127,635	5,281,618	+1,153,983	28.0
Hawaii	506,807	.3761	1,194,633	1,167,244	- 27,389	2.3
Idaho	412,005	.3057	1,220,898	943,754	- 276,144	22.7
Illinois	5,695,529	4.2262	14,556,328	13,116,214	-1,440,114	9.9
Indiana	2,485,523	1.8443	7,712,413	5,723,673	-1,988,340	25.8
Iowa	1,715,964	1.2735	5,142,459	3,958,575	-1,183,884	23.0
Kansas	1,388,570	1.0303	4,156,604	3,197,525	- 959,079	23.1
Kentucky	1,565,460	1.1616	4,126,754	3,605,081	- 521,081	12.6
Louisiana	1,820,622	1.3514	4,884,307	4,206,549	- 677,756	13.9
Maine	1,801,740	1.3369	2,848,831	4,149,133	+1,300,302	45.6
Maryland	2,126,829	1.5781	4,626,163	4,897,709	+ 271,546	5.9
Massachusetts	4,985,750	3.6996	14,452,864	11,435,332	-3,017,532	20.9
Michigan	4,493,245	3.3340	12,910,982	10,347,228	-2,563,754	19.9
Minnesota	3,969,546	2.9454	6,575,202	9,141,190	+2,565,988	39.0
Mississippi	1,255,613	.9315	3,313,707	2,890,955	- 422,752	12.8
Missouri	2,496,789	1.8526	6,775,128	5,749,633	-1,025,495	15.1
Montana	394,222	.2851	1,016,746	854,821	- 161,425	17.0
Nebraska	853,835	.6335	2,728,931	1,966,098	- 762,833	28.0
Nevada	341,631	.2535	725,309	786,749	+ 61,441	8.5
New Hampshire	1,060,671	.7869	1,908,960	2,442,182	+ 533,222	27.9
New Jersey	2,964,190	2.1995	6,650,788	6,826,254	+ 175,466	2.6
New Mexico	951,663	.7060	2,312,366	2,191,105	- 121,261	5.2
New York	11,894,122	8.8281	27,711,071	27,367,395	- 343,676	1.2
North Carolina	2,957,872	2.1948	7,255,328	6,811,667	- 443,661	6.1
North Dakota	807,715	.5993	1,540,646	1,858,956	+ 319,956	20.7
Ohio	4,727,554	3.5079	13,901,796	10,886,935	-3,014,861	21.7
Oklahoma	1,869,568	1.3872	4,623,579	4,305,242	- 318,337	6.9
Oregon	3,149,393	2.3362	6,447,398	7,250,509	+ 803,111	12.5
Pennsylvania	5,361,057	3.9779	14,792,425	12,345,603	-2,446,822	16.5
Rhode Island	779,970	.5787	2,055,495	1,796,023	- 259,472	12.6
South Carolina	1,571,843	1.1663	2,013,792	3,619,668	+1,605,576	79.7
South Dakota	748,678	.5555	1,888,533	1,724,021	- 164,512	8.7
Tennessee	2,086,165	1.5479	5,467,285	4,803,982	- 643,303	11.8
Texas	6,659,037	4.9411	11,694,853	15,334,940	+3,640,087	31.1
Utah	1,015,457	.7535	2,811,244	2,338,523	- 472,721	16.8
Vermont	1,288,209	.9559	1,190,106	2,966,681	+1,776,575	149.3
Virginia	2,387,470	1.7715	5,472,121	5,497,935	+ 25,814	0.5
Washington	3,745,190	2.7797	6,102,256	8,626,932	+2,524,676	41.4
West Virginia	816,758	.6046	2,715,789	1,876,405	- 839,384	30.9
Wisconsin	4,979,049	3.6945	8,750,679	11,466,057	+2,715,378	31.0
Wyoming	182,970	.1358	591,060	421,462	- 169,598	28.7
Pacific Islands	48,552	.0360	0*	111,728	+ 13,398	10.7
Puerto Rico	2,471,513	1.8339	3,368,170	5,691,596	+2,323,426	69.0
Virgin Islands	17,662	.0131	20,974	40,656	+ 19,682	93.8

CHART IV-I

C.Y. S.E.O.G. ALLOCATIONS USING F.Y. S.E.O.G. FORMULA (1978)

	Original F.Y. S.E.O.G. Alot. $134,760,347	State as a % of Total (Column 1)	Original C.Y. Alot. $115,261,000	Column 2 X Total of Column 3	Difference Column 4- Column 3	% Change Column 5 Column 3
Alabama	1,908,863	1.4753	1,249,771	1,701,022	- 249,749	12.7
Alaska	171,862	.1275	101,230	146,958	- 45,72	45.2
Arizona	1,652,128	1.2259	1,163,397	1,412,984	- 249,587	21.4
Arkansas	763,627	.5703	437,936	657,333	- 219,397	50.1
California	16,683,804	12.3834	10,832,365	14,273,230	- 3,440,865	31.8
Colorado	2,116,767	1.5707	1,705,404	1,810,404	- 105,000	6.2
Connecticut	1,521,803	1.1292	1,555,241	1,301,527	+ 253,715	16.3
Delaware	320,784	.2380	212,185	274,321	- 62,136	29.3
Dist. of Col.	875,959	.6499	323,767	749,031	- 74,686	9.1
Florida	3,550,795	2.6347	2,519,332	3,035,781	- 516,399	20.6
Georgia	2,293,458	1.7018	1,756,345	1,961,512	- 705,167	56.1
Hawaii	506,907	.3761	294,941	433,497	- 138,556	47.0
Idaho	412,005	.3057	323,037	352,353	- 24,316	7.4
Illinois	5,695,529	4.2262	4,949,725	4,871,160	+ 78,565	1.6
Indiana	2,485,523	1.8443	2,744,315	2,125,759	+ 618,556	22.5
Iowa	1,719,964	1.2755	2,220,650	1,470,154	+ 750,496	33.8
Kansas	1,388,570	1.0303	1,056,825	1,187,534	- 130,709	9.5
Kentucky	1,565,460	1.1616	1,015,400	1,338,872	- 323,472	31.9
Louisiana	1,826,622	1.3554	935,704	1,562,247	- 576,543	58.5
Maine	1,801,740	1.3369	2,387,519	1,540,924	+ 846,595	35.5
Maryland	2,126,329	1.5731	2,585,220	1,818,934	+ 766,286	29.7
Massachusetts	4,965,750	3.6846	6,326,195	4,246,937	+ 2,079,258	32.9
Michigan	4,493,245	3.3340	6,110,755	3,842,802	+ 2,267,953	37.1
Minnesota	3,969,546	2.9454	3,710,733	3,394,897	+ 315,841	8.5
Mississippi	1,255,413	.9315	1,591,559	1,073,656	+ 517,904	32.5
Missouri	2,496,788	1.8526	1,874,946	2,135,325	- 260,379	13.9
Montana	394,222	.2851	303,154	328,609	- 25,455	8.4
Nebraska	853,835	.6335	616,514	730,178	- 113,664	18.4
Nevada	341,631	.2535	137,631	292,187	- 154,556	112.3
New Hampshire	1,060,471	.7869	1,466,070	906,989	+ 559,091	38.1
New Jersey	2,964,190	2.1995	1,820,806	2,535,166	- 714,360	39.2
New Mexico	951,463	.7060	1,266,131	813,643	+ 452,488	55.7
New York	11,894,122	8.8281	7,322,555	10,163,330	- 2,841,275	35.8
North Carolina	2,957,872	2.1948	3,061,560	2,529,749	+ 531,812	17.4
North Dakota	807,715	.5993	1,065,143	690,759	+ 374,389	35.1
Ohio	4,727,584	3.5079	4,906,600	4,043,241	+ 863,359	17.6
Oklahoma	1,979,568	1.3822	962,535	1,593,900	- 736,365	85.4
Oregon	3,140,393	2.3302	2,351,437	2,692,727	- 341,240	14.5
Pennsylvania	5,361,057	3.9779	6,993,968	4,594,967	+ 1,493,001	24.6
Rhode Island	779,970	.5787	888,520	667,015	+ 221,605	24.9
South Carolina	1,571,843	1.1663	1,149,376	1,344,209	- 194,413	16.9
South Dakota	748,673	.5555	907,970	640,275	+ 267,695	29.5
Tennessee	2,086,165	1.5479	1,934,036	1,784,125	+ 149,911	7.8
Texas	6,659,037	4.9411	4,319,237	5,695,141	- 1,376,924	31.9
Utah	1,015,457	.7535	512,928	868,492	- 355,564	69.3
Vermont	1,283,209	.9559	1,698,694	1,101,780	+ 596,914	35.1
Virginia	2,387,470	1.7715	1,424,[illegible]86	2,041,849	- 617,563	43.4
Washington	3,746,190	2.7797	2,[illegible]20,[illegible]34	3,203,910	- 522,956	19.5
West Virginia	814,759	.6044	1,112,[illegible]	696,668	+ 415,698	37.4
Wisconsin	4,979,069	3.6945	5,068[illegible]	4,258,318	+ 809,754	16.0
Wyoming	132,970	.1358	256[illegible]	156,524	+ 100,472	39.1
Pacific Islands	48,552	.0360	1[illegible]	41,694	- 27,342	182.3
Puerto Rico	2,471,513	1.8339	1,35[illegible]	2,113,771	+ 960,628	68.7
Virgin Islands	17,662	.0131	[illegible]	15,099	- 10,146	204.8

CHART IV-F-1

State Totals by Program if the I.Y. S.E.O.G. Formula was used for all Programs

	I.Y. S.E.O.G.	C.Y. S.E.O.G.	N.D.S.L.	C.W.S.	State Totals	St. Tot. Orig.Form.	Difference (6-5)
Alabama	1,988,863	1,701,022	4,580,216	5,745,289	14,015,390	16,542,067	2,526,677
Alaska	171,862	146,956	395,707	496,356	1,210,850	769,851	- 111 029
Arizona	1,652,128	1,412,584	3,804,639	4,772,425	11,642,180	10,111,419	- 1,530,761
Arkansas	768,627	657,333	1,769,953	2,220,176	5,416,091	7,414,522	1,998,431
California	16,668,844	14,273,230	38,432,479	48,208,576	117,603,125	94,822,301	-22,780,824
Colorado	2,116,767	1,810,404	4,874,743	6,114,735	14,916,649	15,662,572	745,923
Connecticut	1,521,803	1,301,527	3,504,526	4,395,976	10,723,832	11,215,571	491,739
Delaware	320,784	274,321	738,644	926,534	2,260,283	2,209,409	- 50,874
Dist. of Col.	875,959	749,081	2,016,996	2,530,061	6,172,097	5,532,978	- 639,119
Florida	3,550,735	3,036,781	8,176,918	10,256,867	25,021,381	25,553,697	532,316
Georgia	2,293,458	1,961,512	5,281,615	6,625,107	16,161,695	16,280,277	118,582
Hawaii	506,807	433,497	1,167,244	1,464,157	3,571,705	3,291,607	- 300,098
Idaho	412,005	352,353	948,754	1,189,690	2,903,202	3,560,072	656,870
Illinois	5,695,529	4,871,160	13,116,214	16,452,596	40,135,499	41,150,561	1,015,062
Indiana	2,485,523	2,125,759	5,723,873	7,179,860	17,515,015	20,230,449	2,715,434
Iowa	1,718,964	1,470,154	3,958,575	4,965,521	12,133,214	14,033,111	1,899,897
Kansas	1,328,570	1,187,534	3,197,585	4,010,958	9,784,647	10,239,190	454,543
Kentucky	1,565,460	1,338,872	3,605,081	4,522,109	11,031,522	13,177,903	2,146,377
Louisiana	1,826,622	1,562,247	4,206,549	5,276,572	12,871,990	16,378,496	3,506,506
Maine	1,601,740	1,540,524	4,149,133	5,204,552	12,695,349	11,531,730	- 1,164,619
Maryland	2,126,829	1,818,934	4,897,709	6,143,543	14,987,015	15,149,220	162,205
Massachusetts	4,965,750	4,246,907	11,435,332	14,344,147	34,992,136	47,399,404	12,407,268
Michigan	4,493,245	3,842,802	10,347,228	12,979,262	31,662,537	37,245,839	5,583,302
Minnesota	3,959,546	3,394,897	9,141,190	11,466,442	27,962,529	23,359,458	- 603,071
Mississippi	1,255,413	1,073,656	2,890,955	3,626,329	8,846,353	12,508,481	3,662,128
Missouri	2,496,788	2,135,225	5,749,633	7,212,177	17,593,818	18,730,209	1,136,291
Montana	364,222	328,609	884,821	1,109,894	2,707,546	3,951,891	1,244,345
Nebraska	853,835	730,178	1,966,098	2,466,215	6,016,326	6,656,920	640,594
Nevada	341,631	292,187	786,749	986,875	2,407,442	1,963,031	- 444,411
New Hampshire	1,060,471	906,959	2,442,182	3,063,402	7,473,044	7,592,234	119,190
New Jersey	2,964,190	2,535,166	6,826,254	8,562,653	20,888,263	20,692,170	- 196,093
New Mexico	951,463	813,743	2,191,105	2,748,458	6,704,769	8,405,624	1,700,855
New York	11,884,122	10,163,830	27,367,395	34,328,863	83,744,210	75,786,215	- 7,957,995
North Carolina	2,957,872	2,529,748	6,811,667	8,544,356	20,843,643	23,217,720	2,374,077
North Dakota	807,715	690,759	1,859,956	2,333,075	5,691,505	5,403,526	- 287,979
Ohio	4,727,564	4,043,241	10,686,935	13,656,254	33,314,014	39,176,851	5,864,837
Oklahoma	1,869,566	1,598,900	4,305,242	5,400,369	13,174,079	12,453,528	- 720,551
Oregon	3,148,393	2,692,727	7,250,509	9,094,827	22,186,456	20,518,664	- 1,667,792
Pennsylvania	5,361,057	4,584,967	12,345,603	15,485,504	37,777,591	43,157,726	5,380,135
Rhode Island	779,370	666,015	1,796,023	2,252,879	5,495,887	6,104,536	608,649
South Carolina	1,571,843	1,344,289	3,619,668	4,540,406	11,076,206	10,679,990	- 396,216
South Dakota	748,678	640,275	1,724,021	2,162,562	5,275,536	6,494,869	1,219,333
Tennessee	2,086,165	1,784,125	4,803,962	6,025,975	14,700,247	16,946,836	2,246,589
Texas	6,659,037	5,695,161	15,334,940	19,235,702	46,924,840	43,532,811	- 3,392,029
Utah	1,015,457	868,492	2,338,523	2,933,375	7,155,847	6,619,890	- 535,957
Vermont	1,285,209	1,101,780	2,966,681	3,721,319	9,077,989	7,154,686	- 1,923,303
Virginia	2,387,470	2,041,849	5,497,935	6,896,449	16,823,703	17,041,537	217,834
Washington	3,746,190	3,203,910	8,626,932	10,821,372	26,398,404	20,593,260	- 5,805,144
West Virginia	814,758	696,668	1,876,405	2,353,708	5,741,739	7,942,311	2,200,572
Wisconsin	4,979,069	4,258,318	11,466,057	14,382,568	35,086,132	26,824,724	- 8,261,408
Wyoming	182,970	155,524	421,462	528,669	1,289,625	1,672,338	382,713
Pacific Islands	48,662	41,494	111,728	140,148	341,922	651,013	309,091
Puerto Rico	2,471,513	2,113,771	5,691,596	7,139,373	17,416,253	13,261,753	- 4,154,500
Virgin Islands	17,662	15,099	40,656	50,998	124,415	74,635	- 49,780

and California (86%) would have recorded the largest percentage gains. So, when only enrollment is considered in the distribution of funds, states with high educational costs and large numbers of low-income students suffer the greatest losses.

The N.D.S.L. Formula

The N.D.S.L. program funds are distributed by a previously cited formula that ". . . shall apportion to each state an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in institutions of higher education . . . in such state, bears to the total number of persons so enrolled in all the states." Chart IV-G, IV-H, IV-I, and IV-I-1 demonstrate what would have happened if the campus-based federal aid funds had been distributed using the N.D.S.L. formula for the 1977-78 award year.

Chart IV-G illustrates what would have happened if the C.Y. S.E.O.G. allocations had been distributed using the N.D.S.L. formula. Column 1 shows what each state originally received for an N.D.S.L. allotment. Column 2 indicates what percentage each state's allocation was of the total funds distributed to all of the states. Column 3 shows what each state's allocation originally was using the C.Y. S.E.O.G. program formula. Column 4 indicates what that allocation would have been

CHART IV-G

C.Y. S.E.O.G. ALLOCATIONS USING N.D.S.L. FORMULA (1978)

	Original N.D.S.L. Alot. $310,354,794	State as a % of Total (Column 1)	Original C.Y. S.E.O.G. Alot. $115,261,000	Column 2 X Total of Column 4- Column 3	Difference Column 4- Column 3	% Change Column 5 Column 3
Alabama	4,892,444	1.5764	1,949,271	1,816,274	- 132,997	6.8
Alaska	90,563	.0293	101,230	33,771	- 67,459	66.6
Arizona	3,594,543	1.1583	1,163,397	1,335,068	+ 171,671	14.8
Arkansas	2,199,249	.7086	877,936	816,739	+ 378,803	86.5
California	33,523,714	10.8017	10,832,395	12,450,147	+1617,752	14.9
Colorado	6,313,739	2.0343	1,705,404	2,344,724	+ 639,320	37.5
Connecticut	3,921,896	1.2637	1,555,241	1,456,553	- 98,688	6.3
Delaware	766,889	.2471	712,165	284,809	+ 72,644	31.7
Dist. of Col.	2,260,314	.7283	823,767	839,446	+ 15,679	1.9
Florida	8,372,576	2.6977	2,518,382	3,109,396	+ 591,014	23.5
Georgia	4,127,635	1.3299	1,756,345	1,532,656	+ 276,511	22.0
Hawaii	1,194,633	.3849	296,941	443,629	+ 146,688	50.4
Idaho	1,226,858	.3953	328,037	455,627	+ 127,590	38.9
Illinois	16,556,328	5.6000	4,949,725	5,405,971	+ 456,246	9.3
Indiana	7,712,413	2,4850	2,744,315	2,864,236	+ 119,921	4.4
Iowa	5,142,459	1.6569	2,220,650	1,909,759	- 310,891	14.0
Kansas	4,156,664	1.3393	1,086,825	1,543,690	+ 456,865	42.0
Kentucky	4,126,754	1.3297	1,015,400	1,532,625	+ 517,225	50.9
Louisiana	4,884,307	1.5738	985,704	1,813,978	+ 828,274	84.0
Maine	2,848,831	.9179	2,387,519	1,057,581	-1329,938	55.7
Maryland	4,626,163	1.4906	2,588,220	1,718,050	- 870,170	33.6
Massachusetts	14,452,864	4.6569	6,326,195	5,367,589	- 958,606	15.2
Michigan	12,910,982	4.1601	6,110,755	4,794,973	-1315,782	21.6
Minnesota	6,575,202	2.1186	3,710,738	2,441,919	-1268,819	34.2
Mississippi	3,313,207	1.0677	1,691,560	1,230,642	- 288,918	18.2
Missouri	6,775,128	2.1830	1,874,946	2,516,148	+ 281,202	15.0
Montana	1,016,246	.3436	303,154	296,037	+ 92,883	30.6
Nebraska	2,728,931	.8793	616,514	1,013,489	+ 396,975	64.4
Nevada	735,308	.2337	137,631	269,365	+ 131,734	95.7
New Hampshire	1,908,960	.6151	1,441,070	708,970	- 257,100	51.6
New Jersey	6,650,708	2.1429	1,820,806	2,469,978	+ 649,172	35.6
New Mexico	2,312,366	.7451	1,266,431	858,809	- 407,622	32.2
New York	27,711,071	8.9288	7,322,555	10,291,424	+2968,869	40.5
North Carolina	7,255,328	2.3377	3,061,560	2,694,456	- 367,104	12.0
North Dakota	1,540,646	.4964	1,0 5,148	572,156	- 402,992	41.3
Ohio	13,901,796	4.4793	4,906,000	5,162,886	+ 256,186	5.2
Oklahoma	4,623,579	1.4898	862,535	1,717,158	+ 854,623	99.1
Oregon	6,447,398	2.0774	2,351,487	2,394,432	+ 42,945	1.8
Pennsylvania	14,797,425	4.7663	6,083,968	5,493,685	- 590,283	9.7
Rhode Island	2,055,495	.6623	888,620	763,374	- 125,246	14.1
South Carolina	7,013,792	.6469	1,149,866	747,929	- 401,947	35.0
South Dakota	1,828,533	.6055	907,970	701,363	- 206,607	22.8
Tennessee	5,447,785	1.7552	1,934,036	2,023,061	+ 89,025	4.6
Texas	11,694,853	3.7682	4,318,237	4,343,765	+ 25,528	0.6
Utah	2,811,244	.9058	512,928	1,044,034	+ 531,106	103.5
Vermont	1,190,106	.3835	1,698,694	442,026	-1256,668	74.0
Virginia	5,472,121	1.7632	1,474,286	2,032,282	+ 607,996	42.7
Washington	6,102,256	1.9662	2,660,954	2,266,262	- 414,692	15.5
West Virginia	2,715,768	.8750	1,112,566	1,008,534	- 104,032	9.4
Wisconsin	8,709,673	2.8196	5,068,077	3,249,899	-1818,173	35.9
Wyoming	591,060	.1904	256,926	219,457	- 37,539	14.6
Pacific Islands	0	.0403	14,141	46,450	+ 32,303	228.3
Puerto Rico	3,368,170	1.0849	1,253,143	1,250,467	- 2,676	0.2
Virgin Islands	20,974	.0068	4,953	7,283	+ 2,885	58.2

if the N.D.S.L. program formula had been used. The difference between the current allocation and the allocation of the alternative is indicated in Column 5. Column 6 lists what percentage the new allocation is of the original allocation.

Of the total, thirty states would record gains while 24 states would sustain losses. Vermont (75%), Alaska (67%), Maine (56%), and New Hampshire (52%) would have felt the largest percentage losses while Utah (104%), Oklahoma (99%), Nevada (96%), Utah (+69.3%), Louisiana (+58.5%), Georgia (+56.1%), and Arkansas (+50.1%) would have experienced the largest increases while states such as Wyoming (-39.1%), New Hampshire (-38.1%), Michigan (-37.1%), Maine (-35.5%) and Vermont (-35.1%) would have shown the greatest decreases.

In all, twenty-four states would have shown decreases in funding while thirty states would have experienced increases. There would have been a decided shift of funds out of the north and northeast to the south and southwest. The major reason for this shift is that the C.Y. S.E.O.G. formula is driven by demonstrated need while the I.Y. S.E.O.G. formula is driven by enrollment. You will note the largest decreases occur in northern states with high per pupil costs while states in the south and southwest with a much lower per pupil cost of education reap the benefits.

Chart IV-H illustrates what would have occurred if the College Work/Study funds had been distributed using the National Direct Student Loan formula. Column 1 lists the original N.D.S.L. allocations by state. Column 2 lists the resulting percentages when each state's allocation is divided by the total funds available nation wide for the N.D.S.L. program. In Column 3, the original C.W.S. allocations are listed by state. Column 4 lists the results of multiplying each state's percentage (Column 2) by the total funds available nation wide for the C.W.S. program ($389,300,000). The difference between the allocations by state using the N.D.S.L. formula and the original amounts allocated under the C.W.S. formula are listed in Column 5. Column 6 shows the percent of change when hat difference is divided by the original award.

Although the changes that would have occurred using this formula are not as pronounced as in the C.Y. S.E.O.G. program, because the C.W.S. formula is composed of the three different formulas, they would have been rather drastic for some states. Thirty states would have shown losses and twenty-four would have recorded gains. Of those that would have shown losses, Alaska (72%), South Carolina (58%), Georgia (40%), Montant (39%), and Mississippi (35%) would have been the largest percentage losers. States recording the largest gains would have been Utal (55%), Kansas (45%), Colorado (43%), and Nebraska (39%). As a general rule, states with high full-time enrollment and relatively

CHART IV-H
COLLEGE WORK STUDY ALLOCATIONS USING N.D.S.L. FORMULA (1978)

	Original N.D.S.L.Alot. $310,354,794	State as a % of Total (Column 1)	Original C.W.S.P. Alot. $359,300,000	Column 2 X Total of Column 3	Difference Column 4- Column 3	% Change Column 5 Column 3
Alabama	4,892,444	1.5764	7,711,485	6,130,925	- 1,574,504	20.4
Alaska	90,863	.0293	405,896	114,065	- 114,065	71.9
Arizona	3,594,943	1.1583	3,700,951	4,509,262	+ 808,311	21.8
Arkansas	2,199,249	.7086	4,008,710	2,758,580	- 1,250,130	31.2
California	33,523,714	10.8017	33,777,348	42,051,018	+ 8,273,670	24.5
Colorado	6,513,739	2.0343	5,526,662	7,919,530	+ 2,392,868	43.3
Connecticut	3,921,696	1.2637	4,216,631	4,919,584	+ 702,953	16.7
Delaware	766,889	.2471	909,571	961,960	+ 52,389	5.8
Dist. of Col.	2,260,314	.7283	2,572,938	2,835,272	+ 262,334	10.2
Florida	8,372,576	2.6977	11,111,544	10,502,146	- 609,398	5.5
Georgia	4,127,635	1.3299	8,602,633	5,177,300	- 3,425,329	39.8
Hawaii	1,194,633	.3849	1,295,226	1,498,416	+ 203,190	15.7
Idaho	1,226,898	.3953	1,593,132	1,538,903	- 54,229	3.4
Illinois	14,556,328	4.6902	15,948,979	18,258,948	+ 2,309,969	14.5
Indiana	7,712,413	2.4850	7,288,198	9,674,105	+ 2,385,907	32.4
Iowa	5,142,459	1.6569	4,952,038	6,450,311	+ 1,498,273	30.3
Kansas	4,156,664	1.3393	3,607,131	5,213,835	+ 1,606,764	44.6
Kentucky	4,126,754	1.3297	6,420,295	5,176,522	- 1,293,773	20.0
Louisiana	4,884,307	1.5738	8,681,863	6,126,803	- 2,555,060	29.4
Maine	2,848,631	.9179	4,493,640	3,573,385	- 920,255	20.5
Maryland	4,626,163	1.4906	5,808,008	5,802,906	- 5,102	0.1
Massachusetts	14,452,864	4.6569	21,654,595	18,129,311	- 3,525,284	16.3
Michigan	12,910,982	4.1601	13,733,857	16,195,269	+ 2,461,412	17.9
Minnesota	6,575,202	2.1186	9,053,972	8,247,710	- 806,262	8.9
Mississippi	3,313,707	1.0677	6,347,601	4,156,556	- 2,191,245	34.6
Missouri	6,775,128	2.1830	7,583,347	8,498,419	+ 915,072	12.1
Montana	1,066,246	.3436	2,198,259	1,337,635	- 860,624	39.2
Nebraska	2,728,931	.8793	2,457,640	3,423,115	+ 965,475	39.3
Nevada	725,308	.2337	758,461	909,794	+ 151,333	20.0
New Hampshire	1,908,960	.6151	3,156,733	2,394,584	- 762,149	24.1
New Jersey	6,650,738	2.1429	9,256,386	8,342,310	- 914,076	9.9
New Mexico	2,312,366	.7451	3,875,364	2,900,674	- 974,690	25.2
New York	27,711,071	8.9288	28,866,467	34,759,818	+ 5,891,351	20.4
North Carolina	7,255,328	2.3377	9,942,960	9,100,666	- 842,294	8.5
North Dakota	1,540,646	.4964	1,990,017	1,932,485	- 57,532	2.9
Ohio	13,901,756	4.4793	15,642,871	17,437,914	+ 1,795,043	11.5
Oklahoma	4,623,579	1.4898	5,097,838	5,838,721	+ 740,893	14.5
Oregon	6,447,398	2.0774	8,571,386	8,087,318	- 484,068	5.6
Pennsylvania	14,792,425	4.7663	16,920,276	18,555,205	+ 1,634,929	9.7
Rhode Island	2,055,495	.6623	2,380,451	2,578,334	+ 197,883	8.3
South Carolina	2,013,792	.6489	5,944,685	2,526,168	- 3,418,317	57.5
South Dakota	1,888,533	.6085	2,949,668	2,368,890	- 580,778	19.7
Tennessee	5,447,285	1.7552	7,479,350	6,832,994	- 646,356	8.6
Texas	11,684,853	3.7682	20,860,684	14,669,602	- 6,191,082	29.7
Utah	2,811,244	.9058	2,280,261	3,526,279	+ 1,246,018	54.6
Vermont	1,190,106	.3835	2,977,677	1,492,965	- 1,484,712	49.9
Virginia	5,472,121	1.7632	7,757,660	6,864,138	- 893,522	11.5
Washington	6,102,256	1.9662	8,063,860	7,654,417	- 409,443	5.1
West Virginia	2,715,769	.8750	3,299,198	3,406,375	+ 107,177	3.2
Wisconsin	8,750,679	2.8196	8,026,904	10,976,702	+ 2,949,798	36.7
Wyoming	591,060	.1904	641,312	741,227	+ 99,915	15.6
Pacific Islands	0	.0000	463,198	156,888	- 306,310	66.1
Puerto Rico	3,368,170	1.0849	6,168,927	4,223,516	- 1,945,411	31.5
Virgin Islands	20,974	.0068	31,046	26,472	- 4,574	14.7

high per capita income would fair better under this formula than those states with low numbers of students in higher education and/or have many very low-income families.

Chart IV-1 illustrates what would have happened if the initial Year Supplemental Educational Opportunity Grant Program funds had been distributed using the National Direct Student Loan formula. Column 1 lists the original N.D.S.L. allocations by state. Column 2 lists the resulting percentages when each state's allocations is divided by the total funds available nation wide for the N.D.S.L. program. In Column 3, the original I.Y. S.E.O.G. allocations are listed by state. Column 4 lists the results of multiplying each state's percentage (Column 2) by the total funds available nation wide for the I.Y. S.E.O.G. program ($134,768,347). The difference between the allocations by state using the N.D.S.L. formula and the original amounts allocated under the I.Y. S.E.O.G. formula are listed in Column 5. Column 6 shows the percent of change when that difference is divided by the original award.

As can be readily seen, there would have been some large percentage shifts of allocations using this method of distribution. Alaska (77%), Vermont (60%), South Carolina (44%), and Puerto Rico would have recorded the largest percentage losses while West Virginia (45%), Wyoming (40%), Nebraska (39%), and Indiana (34%) would have recorded the largest percentage gains. Of the total states and

CHART IV-I

I.Y. S.E.O.G. ALLOCATIONS USING N.D.S.L. FORMULA (1978)

	Original N.D.S.L. Alot. $310,356,794	State as a % of Total (Column 1)	Original I.Y. S.E.O.G. Alot. $134,268,247	Column 2 X Total of Column 3	Difference Column 4- Column 3	% Change Column 5 Column 3
Alabama	4,892,444	1.5764	1,988,863	2,124,488	+ 135,625	6.8
Alaska	90,863	.0293	171,662	39,487	- 132,375	77.1
Arizona	3,594,943	1.1583	1,652,128	1,561,022	- 91,106	5.5
Arkansas	2,199,249	.7086	768,627	954,968	+ 186,341	24.2
California	33,523,714	10.8017	16,688,844	14,557,271	- 2,131,573	12.8
Colorado	6,313,739	2.0343	2,116,767	2,741,[illegible]92	+ 624,[illegible]25	29.5
Connecticut	3,921,896	1.2637	1,521,803	1,703,[illegible]68	+ 181,[illegible]65	11.9
Delaware	766,869	.2471	320,784	333,012	+ 12,228	3.8
Dist. of Col.	2,260,314	.7283	875,959	981,518	+ 105,559	12.1
Florida	8,372,576	2.6977	3,550,795	3,635,646	+ 84,851	2.4
Georgia	4,127,635	1.3299	2,293,458	1,792,284	- 501,174	21.9
Hawaii	1,194,633	.3849	506,807	518,723	+ 11,916	2.4
Idaho	1,226,898	.3953	412,005	532,739	+ 111,734	27.1
Illinois	14,556,328	4.6902	5,[illegible]95,579	6,320,905	+ 625,376	11.0
Indiana	7,712,413	2.4850	2,485,523	3,348,993	+ 863,470	34.7
Iowa	5,142,459	1.6569	1,718,964	2,232,977	+ 514,[illegible]13	29.9
Kansas	4,156,664	1.3393	1,388,570	1,804,952	+ 416,[illegible]82	30.0
Kentucky	4,126,754	1.3297	1,565,460	1,792,015	+ 226,[illegible]55	14.5
Louisiana	4,884,307	1.5738	1,826,622	2,[illegible]20,9[illegible]	+ 294,[illegible]82	16.1
Maine	2,848,831	.9179	1,801,740	1,237,038	- 564,702	31.3
Maryland	4,676,163	1.4906	2,126,839	2,008,857	- 117,972	5.5
Massachusetts	14,457,864	4.6569	4,965,750	6,276,027	+ 1,310,277	26.4
Michigan	12,910,982	4.1601	4,493,245	5,606,498	+-1,113,253	24.8
Minnesota	6,579,202	2.1186	3,969,546	2,855,[illegible]02	- 1,114,344	28.1
Mississippi	3,313,707	1.0677	1,295,413	1,438,922	+ 143,922	14.6
Missouri	6,775,128	2.1830	2,496,788	2,941,993	+ 445,205	17.8
Montana	1,066,246	.3436	398,222	463,[illegible]64	+ 74,[illegible]42	19.3
Nebraska	2,728,931	.8793	853,835	1,185,018	+ 331,183	38.8
Nevada	725,308	.2337	341,631	314,[illegible]54	- 26,677	7.8
New Hampshire	1,908,960	.6151	1,060,471	828,960	- 231,511	21.8
New Jersey	6,650,788	2.1429	2,964,190	2,887,[illegible]51	- 76,239	2.6
New Mexico	2,312,366	.7451	951,463	1,004,[illegible]9	+ 52,696	5.5
New York	27,711,071	8.9283	11,884,122	12,033,[illegible]5	+ 149,073	1.3
North Carolina	7,255,328	2.3377	2,957,872	3,150,[illegible]79	+ 192,607	6.5
North Dakota	1,540,646	.4964	807,715	668,990	- 138,725	17.2
Ohio	13,901,796	4.4793	4,727,584	6,036,678	+ 1,309,094	27.7
Oklahoma	4,623,579	1.4898	1,869,568	2,007,779	+ 138,211	7.4
Oregon	6,447,398	2.0774	3,148,393	2,799,678	- 348,715	11.1
Pennsylvania	14,792,425	4.7663	5,361,057	6,423,463	+ 1,062,406	19.8
Rhode Island	2,055,495	.6623	779,970	892,571	+ 112,601	14.4
South Carolina	2,013,792	.6489	1,571,843	874,512	- 697,331	44.4
South Dakota	1,868,533	.6035	748,678	820,[illegible]65	+ 71,387	9.5
Tennessee	5,447,285	1.7552	2,086,165	2,365,454	+ 279,289	13.4
Texas	11,694,853	3.7682	6,659,037	5,078,340	- 1,580,697	23.7
Utah	2,811,244	.9058	1,015,457	1,220,732	+ 205,275	20.2
Vermont	1,190,106	.3835	1,288,209	516,837	- 771,372	59.9
Virginia	5,472,121	1.7632	2,387,470	2,376,235	- 11,235	0.5
Washington	6,102,256	1.9662	3,746,190	2,649,815	- 1,096,375	2.9
West Virginia	2,715,789	.8750	814,758	1,179,223	+ 364,475	44.7
Wisconsin	8,750,629	2.8196	4,979,069	3,799,926	- 1,179,141	23.7
Wyoming	591,060	.1970	182,970	256,599	+ 73,629	40.2
Pacific Islands	0*	.0103	48,552	54,312	+ 5,760	11.9
Puerto Rico	3,368,170	1.0849	2,471,513	1,462,102	- 1,009,411	40.8
Virgin Islands	20,974	.0068	17,662	9,164	- 8,498	48.1

territories, thirty-four would have recorded gains and twenty would have shown losses. The difference between the two formulas is that the N.D.S.L. formula only considers full-time enrollment while the I.Y. formula includes part-time enrollment as well. States that have high numbers of full-time enrollment but do not have large continuing education programs would have the greatest gains using this method.

Chart IV-i-1 illustrates what would have happened to the allocations state by state for each of the programs if the N.D.S.L. program formula was used for all programs. Of the total fifty-one states and territories, thirty-one would have recorded gains while twenty-three would have sustained losses. Texas ($7,746,751), South Carolina ($4,517,595), Georgia ($3,650,202), Florida ($3,569,579), and Vermont ($3,512,752) would have recorded the largest dollar gains while New York ($9,009,293), California ($7,759,849), Colorado ($3,657,043), Illinois ($3,391,591), Ohio ($3,360,423) and Indiana ($3,369,298) would show the greatest dollar losses. Using full-time enrollments only as the criteria for distribution has several major drawbacks that were covered in Chapter III. It is obvious, however, that distributing all of the federal student aid funds in the campus-based programs using the N.D.S.L. formula would result in some major shifts in allocations between states.

CHART IV - 1-1

STATE TOTALS BY PROGRAM IF THE N.D.S.L. FORMULA WAS USED FOR ALL PROGRAMS

	N.D.S.L.	C.W.S.P.	C.Y. S.E.O.G.	I.Y. S.E.O.G.	TOTALS BY STATE	ORIG. ST. TOTALS	DIFFERENCE (6-5)
Alabama	4,892,444	6,136,925	1,816,974	2,124,[illegible]	14,570,331	16,[illegible]	+1,571,236
Alaska	90,863	114,065	33,771	39,467	278,166	7[illegible]	+ [illegible]
Arizona	3,594,943	4,509,262	1,335,006	1,561,022	11,000,[illegible]	10,111,[illegible]	- [illegible]
Arkansas	2,199,249	2,756,560	816,733	954,[illegible]	6,729,536	7,414,[illegible]	+ [illegible]
California	33,523,714	42,051,018	12,450,147	14,557,271	102,552,150	94,822,[illegible]	-7,753,[illegible]
Colorado	6,313,739	7,919,530	2,344,754	2,741,[illegible]	19,319,615	15,662,572	-3,657,043
Connecticut	3,921,696	4,919,564	1,456,553	1,703,[illegible]	12,001,101	11,215,571	- 785,530
Delaware	766,869	961,960	284,809	333,012	2,346,670	2,209,[illegible]	- 137,261
Dist. of Col.	2,260,314	2,835,272	839,446	981,516	6,916,550	6,532,[illegible]	- 384,572
Florida	8,372,576	10,502,146	3,109,396	3,635,[illegible]	21,954,118	25,553,[illegible]	+3,599,579
Georgia	4,127,635	5,177,300	1,532,656	1,792,[illegible]	12,630,075	16,280,277	+3,650,202
Hawaii	1,194,633	1,498,416	443,639	518,723	3,655,411	3,291,607	- 363,804
Idaho	1,276,698	1,538,903	455,627	532,739	3,754,167	3,560,072	- 194,095
Illinois	14,556,328	18,256,948	5,405,971	6,320,[illegible]	44,542,152	41,150,561	-3,391,591
Indiana	7,712,413	9,674,105	2,864,736	3,348,[illegible]	23,599,747	20,230,449	-3,369,298
Iowa	5,142,499	6,450,311	1,909,759	2,232,977	15,735,546	14,03[illegible]	-1,701,395
Kansas	4,156,664	5,213,895	1,543,690	1,804,952	12,719,201	10,239,190	-2,480,011
Kentucky	4,126,754	5,176,522	1,532,625	1,792,015	12,627,916	13,177,509	+ 549,593
Louisiana	4,884,307	6,126,803	1,813,978	2,120,984	14,946,072	16,378,496	+1,432,424
Maine	2,846,631	3,573,385	1,057,981	1,237,036	8,717,233	11,531,[illegible]	+2,814,[illegible]
Maryland	4,626,163	5,802,906	1,718,050	2,008,857	14,156,006	15,149,220	+ 993,214
Massachusetts	14,452,804	18,129,311	5,367,503	6,276,027	44,225,791	47,339,404	+3,113,613
Michigan	12,910,582	16,195,269	4,794,973	5,606,498	39,507,722	37,248,839	-2,258,883
Minnesota	6,575,202	8,247,710	2,441,919	2,855,202	20,120,033	23,309,458	+3,189,425
Mississippi	3,313,707	4,156,556	1,230,642	1,438,922	10,139,827	12,506,481	+2,366,654
Missouri	6,775,128	8,498,419	2,516,148	2,941,993	20,731,688	18,730,209	-2,001,479
Montana	1,066,246	1,337,635	396,037	463,054	3,262,962	3,951,691	+ 688,909
Nebraska	2,728,931	3,423,115	1,013,489	1,185,017	8,350,553	6,656,920	-1,693,633
Nevada	725,308	909,794	269,365	314,954	2,219,421	1,963,031	- 256,390
New Hampshire	1,908,960	2,394,584	708,970	828,960	5,841,474	7,592,234	+1,750,760
New Jersey	6,650,768	8,342,310	2,469,928	2,887,951	20,350,977	20,692,170	+ 341,193
New Mexico	2,312,366	2,900,674	858,809	1,004,159	7,076,008	8,405,624	+1,329,616
New York	27,711,071	34,759,818	10,291,424	12,033,195	84,795,508	75,786,215	-9,009,293
North Carolina	7,255,328	9,100,696	2,694,456	3,150,479	22,200,959	23,217,720	+1,016,761
North Dakota	1,540,696	1,932,485	572,156	668,990	4,714,277	5,403,526	+ 686,249
Ohio	13,901,756	17,437,914	5,162,886	6,036,678	42,539,274	39,178,851	-3,360,423
Oklahoma	4,623,579	5,798,721	1,717,158	2,007,779	13,627,237	12,453,528	-1,373,709
Oregon	6,447,398	8,087,318	2,394,432	2,799,678	19,728,826	20,518,664	+ 789,838
Pennsylvania	14,792,425	18,555,205	5,493,685	6,423,463	45,264,778	43,157,726	-2,107,052
Rhode Island	2,055,495	2,578,334	763,374	892,571	6,289,774	6,104,536	- 185,238
South Carolina	2,013,792	2,526,168	747,929	[illegible] 4,512	6,162,401	10,679,996	+4,517,595
South Dakota	1,888,533	2,368,890	701,363	[illegible] 0,065	4,958,786	6,494,869	+1,536,083
Tennessee	5,447,285	6,832,994	2,023,061	2,365,454	16,668,794	16,946,836	+ 278,042
Texas	11,694,853	14,669,602	4,343,265	5,078,340	35,786,060	43,532,811	+7,746,751
Utah	2,811,244	3,526,279	1,044,034	1,220,732	8,602,289	6,619,890	-1,982,399
Vermont	1,190,106	1,492,965	442,026	516,837	3,641,934	7,154,686	+3,512,752
Virginia	5,472,121	6,864,138	2,032,282	2,376,235	16,744,776	17,041,537	+ 296,761
Washington	6,102,256	7,654,417	2,266,262	2,649,815	18,672,750	20,593,260	+1,920,510
West Virginia	2,715,769	3,406,375	1,005,534	1,179,223	7,769,921	7,942,311	+ 172,390
Wisconsin	6,750,679	10,976,702	3,245,099	3,799,528	26,777,204	26,824,724	+ 47,516
Wyoming	591,060	741,227	219,457	256,599	1,808,343	1,672,338	- 136,005
Pacific Islands	04	196,868	46,450	54,312	382,766	651,013	+ 268,247
Puerto Rico	3,368,170	4,223,516	1,250,467	1,462,102	10,304,255	13,261,753	+2,957,498
Virgin Islands	20,574	26,472	7,303	9,164	64,448	74,635	+ 10,187

THE CONTINUING YEAR SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT FORMULA

The C.Y. S.E.O.G. awards are allocated by the Commissioner. This has been done by dividing the total amount of funds available for C.Y. awards by the aggregate C.Y. funding recommendations to determine a uniform national percentage for funding all states. For example, in the 1977-78 award period, $115,261,000 was available for distribution. The national funding recommended by the Regional Review Panels was $216,003,533. The uniform national percentage of 53.360701 was obtained by dividing the $115,261,000 by $216,003,533. This meant that every state received 53.4 percent of their recommended requests; that every state suffered from scarce resources equally.

The following four charts were constructed to illustrate what would have happened to all of the aid programs if they had been distributed using this formula. Chart IV-J demonstrates what the effects would have been on the N.D.S.L. if the C.Y. S.E.O.G. formula had been used to distribute the funds. Column 1 lists the adjusted recommended funding level by state for the N.D.S.L. program. In Column 2 are listed the original state allotments for the N.D.S.L. program. Column 3 shows what the national percentage would have been if the total funds available for the N.D.S.L. program had been divided by the total funds recommended by the Regional Panels ($310,500,000 ÷ $543,270,304). Column 4 lists the

CHART IV-J

N.D.S.L. BY C.Y. S.E.O.G. FORMULA

	Adj. Rec. Fund Level	Orig. State Alot.	% App.	New State Allotment	Difference (4-2)	% of Change Col. 5 / Col. 2
Alabama	9,819,903	4,692,444	57.1271	5,609,826	+ 717,382	.14
Alaska	90,963	90,963	57.1271	51,927	- 39,036	.42
Arizona	7,366,550	3,594,943	57.1271	4,208,296	+ 613,353	.15
Arkansas	2,199,249	2,199,249	57.1271	1,256,367	- 942,882	.42
California	60,697,848	33,523,714	57.1271	34,674,920	+1,151,206	.03
Colorado	16,849,660	6,313,739	57.1271	9,625,727	+3,311,988	.52
Connecticut	8,054,748	3,921,896	57.1271	4,601,444	+ 679,548	.17
Delaware	1,205,613	766,589	57.1271	688,732	- 78,157	.10
Dist. of Col.	5,167,148	2,260,314	57.1271	2,951,242	+ 691,228	.30
Florida	13,347,736	9,372,576	57.1271	7,625,174	- 747,402	.08
Georgia	4,127,635	4,127,635	57.1271	2,357,998	-1,769,637	.43
Hawaii	1,315,282	1,194,633	57.1271	751,382	- 443,251	.37
Idaho	1,433,434	1,226,898	57.1271	818,879	- 408,019	.33
Illinois	23,834,000	14,556,328	57.1271	13,615,673	- 940,655	.06
Indiana	14,538,420	7,712,413	57.1271	8,305,378	+ 592,965	.07
Iowa	7,293,851	5,142,459	57.1271	4,166,765	- 975,694	.18
Kansas	5,176,313	4,156,664	57.1271	2,957,077	-1,199,587	.28
Kentucky	4,467,768	4,126,754	57.1271	2,552,306	-1,574,448	.38
Louisiana	5,604,947	4,884,307	57.1271	3,201,943	-1,682,364	.34
Maine	7,602,731	2,940,531	57.1271	4,343,231	+1,402,700	.52
Maryland	10,060,045	4,626,163	57.1271	5,747,012	+1,120,849	.24
Massachusetts	38,570,820	14,452,964	57.1271	22,034,320	+7,581,526	.52
Michigan	18,695,532	12,910,932	57.1271	10,794,469	-2,116,513	.16
Minnesota	13,964,370	6,575,202	57.1271	7,977,439	+1,402,237	.21
Mississippi	4,034,738	3,313,707	57.1271	2,304,929	-1,008,778	.30
Missouri	9,630,094	6,775,128	57.1271	5,501,393	-1,273,735	.18
Montana	1,066,246	1,066,246	57.1271	609,115	- 457,131	.42
Nebraska	3,062,504	2,728,931	52.1271	1,749,519	- 979,412	.35
Nevada	885,995	725,308	57.1271	506,143	- 219,165	.30
New Hampshire	5,094,496	1,909,960	57.1271	2,910,338	+1,001,378	.52
New Jersey	8,530,543	6,650,788	57.1271	4,873,252	-1,777,536	.26
New Mexico	6,171,034	2,312,360	57.1271	3,525,361	+1,212,995	.52
New York	41,128,675	27,711,071	57.1271	23,495,619	-4,215,452	.15
North Carolina	7,762,102	7,255,328	57.1271	4,434,274	-2,821,054	.38
North Dakota	4,111,569	1,540,646	57.1271	2,348,820	+ 808,174	.52
Ohio	23,504,328	13,901,795	57.1271	13,427,349	- 474,456	.03
Oklahoma	5,997,098	4,623,579	57.1271	3,425,968	-1,197,611	.25
Oregon	17,206,356	6,447,398	57.1271	9,829,492	+3,382,094	.52
Pennsylvania	30,476,749	14,792,425	57.1271	17,410,677	+2,618,252	.17
Rhode Island	5,485,556	2,055,495	57.1271	3,133,739	+1,078,244	.52
South Carolina	2,013,792	2,013,792	57.1271	1,150,704	- 863,088	.42
South Dakota	5,039,996	1,889,533	57.1271	2,879,203	+ 989,670	.52
Tennessee	9,161,496	5,447,285	57.1271	5,233,697	- 213,588	.03
Texas	11,694,853	11,694,853	57.1271	6,680,930	-5,013,923	.42
Utah	2,811,244	2,811,244	57.1271	1,605,992	-1,205,252	.42
Vermont	3,176,062	1,190,106	57.1271	1,814,392	+ 624,286	.52
Virginia	6,032,120	5,472,121	57.1271	3,445,975	-2,026,146	.37
Washington	15,207,490	6,102,256	57.1271	8,687,598	+2,567,342	.42
West Virginia	3,391,972	2,715,789	57.1271	1,937,678	- 778,111	.28
Wisconsin	23,353,215	8,759,679	57.1271	13,341,014	+4,599,335	.52
Wyoming	967,330	591,960	57.1271	564,032	- 27,928	.04
Pacific Islands	-0-*	-0-*		-0-*	-0-*	
Puerto Rico	4,543,832	3,368,170	57.1271	2,595,759	- 772,411	.22
Virgin Islands	24,304	20,974	57.1271	13,930	- 7,044	.33

results of multiplying Column 1 by the national percentage shown in Column 3. In Column 5 is listed the difference between the new allotment and the original and Column 6 indicates the percent of change.

Of the fifty-four states and territories, twenty-one of them would show an increase, thirty-two of them a decrease, and the Pacific Islands would show no change as they never requested any N.D.S.L. allocations. Colorado, Maine, Massachusetts, New Hampshire, New Mexico, North Dakota, Oregon, Rhode Island, South Dakota, Vermont and Wisconsin all would have experienced a gain of 52% in their funding. Alaska, Arkansas, Georgia, Montana, South Carolina, Texas and Utah all would have experienced a decline of 42% in their allocations. It is obvious that using this formula would result in major shifts in funding between the states. However, the allotments in Column 4 would be an expression of the percentage of each state's demonstrated need. Each state would suffer equally. Theoretically, each student would receive approximately the same percentage of his budget met with these funds if he was in Vermont or Utah.

Chart IV-K illustrates what would have happened if the C.W.S. Program funds had been distributed using the C.Y. S.E.O.G. formula. Column 1 lists the adjusted recommended funding levels by state. In Column 2 are listed the state allocations using the C.W.S. program formula. Column 3 shows what the national percentage would have been if the total funds available nation wide for the C.W.S. program had been divided by the national total of the adjusted recommended funding levels. Column 4 lists what the new state allotments would have been if this national percentage had been applied to the adjusted recommended funding levels of each state. Column 5 shows what the

CHART IV-K

C.U.S.P. BY C.Y. S.E.O.G. FORMULA

	Adj. Rec. Fund.Level.	Orig. State Alot.	% App.	New State Allotment	Difference (4-2)	% of Change Col. 5 Col. 2
Alabama	15,959,712	7,715,347	56.9655	9,091,530	+1,376,183	.17
Alaska	472,684	406,999	56.9655	269,767	- 176,932	.38
Arizona	5,606,539	3,702,802	56.9655	3,193,792	- 509,010	.13
Arkansas	5,629,259	4,010,715	56.9655	3,905,279	-1,15,436	.24
California	67,236,473	33,707,348	56.9655	39,249,978	+5,542,729	.16
Colorado	12,178,067	5,529,394	56.9655	6,937,397	+1,407,903	.25
Connecticut	7,339,544	4,210,740	56.9655	4,130,433	- 38,392	.09
Delaware	1,312,492	910,026	56.9655	633,749	- 276,286	.30
Dist. of Col.	5,661,591	2,574,210	56.9655	3,229,699	+ 655,449	.25
Florida	15,224,758	11,117,393	56.9655	8,672,849	-2,444,544	.21
Georgia	9,338,711	7,607,143	56.9655	5,319,843	-3,287,300	.38
Hawaii	1,992,702	1,295,874	56.9655	1,097,302	- 200,572	.16
Idaho	3,519,485	1,553,919	56.9655	1,929,765	+ 405,846	.25
Illinois	28,967,520	15,956,957	56.9655	16,501,492	+ 544,535	.03
Indiana	12,441,475	7,291,344	56.9655	7,087,348	- 204,496	.02
Iowa	10,911,376	4,954,456	56.9655	6,216,035	+1,261,579	.25
Kansas	6,153,462	3,608,935	56.9655	3,508,199	- 100,736	.02
Kentucky	8,563,339	6,473,232	56.9655	4,978,149	-1,495,383	.24
Louisiana	9,119,580	5,636,206	56.9655	5,1 3,014	-3,491,192	.40
Maine	9,901,791	4,495,361	56.9655	5,640,605	+1,144,744	.25
Maryland	12,213,962	5,801,213	56.9655	6,957,145	+1,155,332	.19
Massachusetts	47,216,164	21,664,595	56.9655	27,181,751	+5,517,156	.25
Michigan	25,366,217	13,749,727	56.9655	14,449,992	+ 700,265	.05
Minnesota	19,950,537	9,058,447	56.9655	11,364,923	+2,306,476	.25
Mississippi	10,547,754	6,350,976	56.9655	6,003,591	- 347,385	.05
Missouri	14,709,558	7,587,141	56.9655	8,379,544	+ 792,403	.10
Montana	4,943,891	2,,99,346	56.9655	2,759,347	+ 560,001	.25
Nebraska	3,956,833	2,458,269	56.9655	2,197,244	- 261,025	.10
Nevada	1,379,092	758,340	56.9655	671,576	- 87,164	.11
New Hampshire	6,955,899	3,158,293	56.9655	3,962,463	+ 804,170	.25
New Jersey	10,601,053	9,261,917	56.9655	5,697,150	-3,563,867	.38
New Mexico	8,539,4-1	3,977,279	56.9655	4,964,518	+ 987,239	.25
New York	51,964,956	28,372,467	56.9655	29,092,957	+ 722,592	.02
North Carolina	18,056,770	9,947,934	56.9655	10,286,129	+ 338,195	.03
North Dakota	4,385,027	1,991,001	56.9655	2,497,952	+ 506,951	.25
Ohio	23,122,515	15,650,696	56.9655	13,171,856	-2,478,840	.15
Oklahoma	6,344,035	5,100,378	56.9655	5,038,050	- 62,328	.01
Oregon	18,887,154	8,575,622	56.9655	10,759,161	+2,183,539	.25
Pennsylvania	33,777,910	16,928,740	56.9655	16,393,480	- 535,260	.03
Rhode Island	5,245,352	2,381,628	56.9655	2,988,041	+ 606,413	.25
South Carolina	7,415,177	5,947,459	56.9655	4,224,093	-1,723,366	.28
South Dakota	6,499,629	2,951,126	56.9655	3,702,546	+ 751,420	.25
Tennessee	11,272,461	7,483,092	56.9655	6,420,276	-1,062,816	.14
Texas	26,924,716	20,870,684	56.9655	15,337,799	-5,532,885	.26
Utah	3,575,662	2,281,402	56.9655	2,036,894	- 244,508	.10
Vermont	6,561,347	2,979,149	56.9655	3,737,704	+ 758,555	.25
Virginia	9,562,389	7,761,541	56.9655	5,447,263	-2,314,278	.29
Washington	17,768,914	8,067,646	56.9655	10,122,[illegible]3	+2,054,247	.25
West Virginia	6,199,294	3,300,948	56.9655	3,526,332	+ 225,424	.06
Wisconsin	17,617,369	8,,19,871	56.9655	10,975,704	+2,044,833	.25
Wyoming	1,413,137	641,629	56.9655	805,000	+ 163,371	.25
Pacific Islands	463,198	463,430	56.9655	263,863	- 199,567	.43
Puerto Rico	6,163,927	6,272,011	56.9655	3,514,160	-2,757,851	.43
Virgin Islands	31,946	31,962	56.9655	17,696	14,266	.43

difference would have been between the new allocations and the original C.W.S. program allocations. Lastly, Column 6 shows what the percentage of change would have been.

Of the fifty-four states and territories, twenty-seven of them would have recorded gains and twenty-seven would have sustained losses. In this example, the shifts of funds would not have been as pronounced as with the other examples, yet, nonetheless, several states would experience some major gains or losses. Eighteen states would have gained 25% while Puerto Rico (43%), New Jersey (38%), Georgia (38%), and Alaska (33%) sustained the greatest losses. The gains and losses would be less with the C.W.S. Program than with the others because at least one-third of the C.W.S. formula is driven by a factor related to monetary need.

Chart IV-L illustrates how the funds would have been distributed for the I.Y. S.E.O.G. program if the C.Y. S.E.O.G. formula had been used. Column 1 lists the adjusted recommended funding levels by state of the I.Y. S.E.O.G. program. Column 2 lists by state the original I.Y. S.E.O.G. program allocations. Column 3 shows what the national percentage would have been if the total funds available nation wide for the I.Y. S.E.O.G. program had been divided by the national total of the adjusted recommended funding levels. Column 4 lists what the new state allotments would have been if the national percentage had been applied to the adjusted recommended funding level of each state. Column 5 shows what the difference would have been between the new allocations and the original I.Y. S.E.O.G. program allocations. Lastly, Column 6 shows what the percentage of change would have been.

CHART IV-1

I.Y. S.E.O.G. BY C.Y. S.E.O.G. FORMULA

	Adj. Rec. Fund Level	Orig. State Alot.	% App.	New State Allotment	Difference (4-2)	% of ch Change Col. 5 Col. 2
Alabama	6,784,383	1,979,563	34.0217	2,309,142	+ 315,279	.16
Alaska	660,092	171,562	34.0217	224,571	+ 52,709	.30
Arizona	4,639,956	1,652,128	34.0217	1,578,592	- 73,536	.04
Arkansas	917,442	767,627	34.0217	312,231	- 456,356	.59
California	43,004,431	16,688,644	34.0217	14,630,041	-2,058,603	.12
Colorado	8,130,024	2,116,767	34.0217	2,765,972	+ 649,205	.30
Connecticut	4,712,961	1,921,793	34.0217	1,603,293	+ 81,490	.05
Delaware	538,432	320,774	34.0217	183,184	- 137,000	.42
Dist. of Col.	3,153,239	875,959	34.0217	1,072,775	+ 196,816	.22
Florida	7,266,361	3,550,795	34.0217	2,472,310	-1,078,485	.30
Georgia	3,291,027	2,293,458	34.0217	1,116,533	-1,176,925	.51
Hawaii	837,533	506,107	34.0217	284,943	- 221,864	.43
Idaho	959,342	432,005	34.0217	326,384	- 85,621	.20
Illinois	71,590,633	5,695,529	34.0217	7,345,504	+1,649,975	.28
Indiana	7,538,554	2,485,523	34.0217	2,564,744	+ 79,221	.03
Iowa	6,602,153	1,718,964	34.0217	2,246,165	+ 527,201	.30
Kansas	3,027,073	1,380,570	34.0217	1,029,662	- 350,706	.25
Kentucky	3,527,915	1,565,460	34.0217	1,191,961	- 365,499	.23
Louisiana	3,901,889	1,826,622	34.0217	1,021,294	- 805,329	.44
Maine	6,229,077	1,801,749	34.0217	2,354,326	+ 552,568	.30
Maryland	8,166,671	2,126,929	34.0217	2,779,121	+ 652,292	.30
Massachusetts	19,972,332	4,965,750	34.0217	6,488,732	+1,522,982	.30
Michigan	16,744,131	4,493,245	34.0217	5,696,638	+1,203,393	.26
Minnesota	15,246,132	3,909,546	34.0217	5,126,993	+1,217,447	.30
Mississippi	4,021,757	1,255,633	34.0217	1,540,444	+ 285,033	.30
Missouri	5,356,499	2,496,798	34.0217	1,822,365	- 674,433	.27
Montana	992,882	384,221	34.0217	337,705	- 46,477	.12
Nebraska	1,758,543	853,935	34.0217	598,286	- 255,649	.29
Nevada	684,663	341,631	34.0217	232,934	- 108,697	.31
New Hampshire	4,073,032	1,069,471	34.0217	1,395,715	+ 325,244	.30
New Jersey	5,292,341	2,964,190	34.0217	1,799,867	-1,164,323	.39
New Mexico	3,654,357	951,463	34.0217	1,243,274	+ 291,811	.30
New York	29,683,877	11,794,122	34.0217	10,098,959	-1,705,163	.15
North Carolina	8,067,270	2,957,672	34.0217	2,744,625	- 213,047	.07
North Dakota	3,102,252	807,715	34.0217	1,055,439	+ 247,724	.30
Ohio	16,593,850	4,727,584	34.0217	5,645,510	+ 917,926	.19
Oklahoma	3,135,144	1,869,568	34.0217	1,066,629	- 802,939	.42
Oregon	12,092,267	3,148,393	34.0217	4,113,995	+ 965,602	.30
Pennsylvania	15,563,154	5,301,057	34.0217	5,294,849	- 66,208	.01
Rhode Island	2,995,690	779,979	34.0217	1,019,185	+ 239,205	.30
South Carolina	2,770,735	1,571,843	34.0217	942,651	- 629,192	.40
South Dakota	2,875,503	740,678	34.0217	976,295	+ 229,617	.30
Tennessee	5,674,497	2,086,165	34.0217	1,913,519	- 172,646	.08
Texas	12,911,735	6,659,037	34.0217	4,392,792	-2,266,245	.34
Utah	1,281,730	1,015,457	34.0217	470,088	- 545,369	.53
Vermont	4,947,771	1,288,209	34.0217	1,683,299	+ 395,090	.30
Virginia	6,992,699	2,307,479	34.0217	1,799,639	- 506,631	.28
Washington	14,388,272	3,746,190	34.0217	4,895,135	+1,148,945	.30
West Virginia	2,633,175	834,758	34.0217	897,552	+ 62,794	.10
Wisconsin	19,123,495	4,979,069	34.0217	6,506,135	+1,527,066	.30
Wyoming	792,744	182,970	34.0217	239,086	+ 56,116	.30
Pacific Islands	48,552	48,552	34.0217	16,518	- 32,034	.65
Puerto Rico	9,492,525	2,471,513	34.0217	3,229,518	+ 758,005	.30
Virgin Islands	29,252	17,662	34.0217	10,034	- 7,628	.43

As was the case in the previous example, twenty-seven states would have experienced increase in funding while the remaining twenty-seven would have experienced a decrease. Arkansas (59%), Utah (53%), Georgia (51%), and Louisiana would have recorded the greatest percentage losses while nineteen states would have experienced 30% increases. Because the I.Y. S.E.O.G. funds are distributed based on enrollment and not even on partial need as the C.W.S. program funds are, there would be a much more drastic movement of funds between states if this formula was used on the I.Y. S.E.O.G. program.

Chart IV-L-1 was constructed to illustrate what the results would have been if all of the funds for the campus-based student aid programs had been distributed using the C.Y. S.E.O.G. program formula. Columns 1, 2, 3 and 4 list the four programs and what the allocations would have been by state if the C.Y. S.E.O.G. program formula had been used. Column 5 lists what the total student aid by state would have been. Column 6 lists the totals by state of the original allocations and Column 7 records what the difference would have been.

As can be readily seen, there would have been a drastic shift in funds between states. Massachusetts ($14,631,664), Wisconsin ($8,166,201), Oregon ($6,535,471), Washington ($5,792,520), and Colorado ($5,411,828) would have sustained the greatest gains while Texas ($12,803,053), New Jersey ($6,501,095), Georgia ($6,229,558), and Louisiana ($5,974,541) would have lost the most funds. In all, twenty-four states would have shown gains while thirty states would have experienced losses.

CHART IV - L-1

STATE TOTALS BY PROGRAM IF THE C.Y. S.E.O.G. FORMULA WAS USED FOR ALL PROGRAMS

	F.Y. S.E.O.G.	C.W.S.P.	N.D.S.L.	C.Y. S.E.O.G.	TOTALS BY STATE	ORIG. ST. TOTALS	DIFFERENCE (6-5)
Alabama	2,308,142	9,091,530	5,609,676	1,449,271	18,55[illegible]	16,542,067	-2,[illegible] 16,702
Alaska	224,571	269,267	51,507	101,230	[illegible]	769,651	+ [illegible]
Arizona	1,578,592	3,193,792	4,208,286	1,163,397	10,144,077	10,111,419	+ 32,658
Arkansas	312,231	2,165,279	1,266,367	437,936	4,871,513	7,414,522	+2,542,709
California	14,630,641	36,330,070	34,[illegible]4,970	10,832,395	95,468,234	94,822,301	-[illegible]
Colorado	2,705,972	6,937,297	9,625,727	1,705,404	21,034,400	15,662,577	-5,[illegible]
Connecticut	1,603,293	4,180,438	4,601,444	1,555,241	11,940,416	11,215,571	- 724,[illegible]
Delaware	183,184	633,740	688,732	212,165	1,717,821	2,209,409	+ 491,[illegible]
Dist. of Col.	1,072,775	3,229,659	2,951,842	823,767	8,078,043	[illegible] 533,978	-1,[illegible]
Florida	2,472,310	6,672,859	7,625,174	2,516,382	21,286,725	[illegible] 553,197	+4,[illegible]
Georgia	1,116,532	5,319,843	2,357,938	1,256,345	10,050,719	16,280,277	+6,229,558
Hawaii	284,943	1,057,307	751,382	294,941	2,418,568	3,291,607	+ 873,039
Idaho	326,384	1,919,765	818,879	328,037	3,473,065	3,560,072	+ [illegible]
Illinois	7,345,504	16,501,492	13,615,673	4,449,725	42,412,344	41,[illegible]	-1,[illegible]
Indiana	2,564,744	7,087,348	8,305,378	2,744,315	20,701,785	20,230,449	- 471,336
Iowa	2,246,165	6,216,005	4,165,765	2,220,653	14,849,585	14,034,111	- 815,474
Kansas	1,029,862	3,503,199	2,957,077	1,086,825	8,581,963	10,[illegible]	+1,[illegible]
Kentucky	1,199,961	4,578,149	2,552,306	1,015,400	9,645,816	13,[illegible]	+3,[illegible]
Louisiana	1,021,294	5,195,014	3,201,943	955,704	10,403,955	16,378,436	+5,974,541
Maine	2,354,328	5,040,605	4,343,231	2,387,519	14,725,683	11,[illegible]	-3,[illegible]
Maryland	2,779,121	6,957,145	5,747,012	2,568,220	18,071,498	15,[illegible]	-2,922,[illegible]
Massachusetts	6,458,732	27,131,791	2,034,390	6,326,195	62,031,083	47,399,404	-14,631,664
Michigan	5,696,638	14,449,992	10,794,469	6,110,755	37,051,854	37,248,[illegible]	+ 196,[illegible]
Minnesota	5,166,993	11,364,923	7,977,439	3,716,735	28,240,093	23,309,458	-4,930,635
Mississippi	1,640,444	6,008,581	2,304,929	1,591,560	11,545,514	12,508,481	+ 962,967
Missouri	1,822,365	8,379,444	5,501,393	1,874,946	17,578,248	18,730,209	+1,151,961
Montana	337,795	2,759,347	609,115	303,154	4,009,411	3,951,891	- 57,520
Nebraska	598,286	7,197,064	1,749,519	616,514	9,161,383	[illegible] 656,920	+1,495,537
Nevada	732,934	671,676	506,243	137,631	1,548,384	1,963,031	+ 414,647
New Hampshire	1,385,715	3,962,463	2,910,338	1,466,070	9,724,586	7,592,234	-2,132,352
New Jersey	1,799,867	5,[illegible]	4,873,252	1,870,806	14,191,075	20,692,170	+6,501,095
New Mexico	1,243,274	4,[illegible]	3,525,361	1,266,431	10,699,584	8,405,624	-2,293,960
New York	10,098,259	29,602,047	23,495,619	7,322,555	70,519,190	75,786,215	+5,267,025
North Carolina	2,744,625	10,266,129	4,434,274	3,061,560	20,526,588	23,217,720	+2,691,132
North Dakota	1,055,439	2,497,552	2,348,820	1,065,148	6,967,359	5,403,526	-1,563,833
Ohio	5,645,510	13,171,856	13,427,340	4,906,600	37,151,306	39,178,[illegible]	+2,027,545
Oklahoma	1,066,629	5,038,050	3,425,968	862,535	10,393,182	12,453,528	+2,060,346
Oregon	4,113,995	10,758,161	9,829,492	2,351,487	27,054,135	20,518,664	-6,535,471
Pennsylvania	5,254,849	16,393,480	17,410,477	6,083,968	45,182,774	43,157,726	-2,025,048
Rhode Island	1,019,185	2,988,041	3,133,739	888,620	8,029,585	6,104,536	-1,92[illegible]
South Carolina	942,651	4,224,093	1,160,704	1,149,866	7,477,314	10,679,[illegible]	+3,202,667
South Dakota	976,295	3,702,546	2,679,203	907,970	8,468,014	6,494,869	-1,973,145
Tennessee	1,913,519	6,470,276	5,233,697	1,934,036	15,501,528	16,946,[illegible]	+1,[illegible]
Texas	4,392,792	15,337,799	6,660,930	4,318,237	30,729,758	43,532,811	+12,803,053
Utah	470,088	2,036,894	1,605,582	512,928	4,625,692	6,619,[illegible]	+1,993,[illegible]
Vermont	1,683,299	3,737,704	1,814,392	1,698,[illegible]	8,934,089	7,154,686	-1,779,403
Virginia	1,700,639	5,447,263	3,446,975	1,424,286	12,018,163	17,041,537	+5,023,374
Washington	5,695,135	10,122,093	6,667,544	2,660,954	26,385,780	20,[illegible]3,260	-5,792,520
West Virginia	697,552	3,526,337	1,917,678	1,117,561	7,474,128	7,[illegible]42,311	+ 468,183
Wisconsin	6,306,135	10,075,704	13,341,014	5,068,072	34,[illegible]90,925	26,[illegible]24,724	-8,[illegible],201
Wyoming	239,088	895,000	564,032	256,996	1,665,116	1,622,338	- 192,776
Pacific Islands	16,518	263,663	-0-[illegible]	[illegible],147	244,[illegible]	651,013	+ 356,[illegible]
Puerto Rico	3,229,518	3,514,160	2,595,759	1,253,143	10,592,580	13,261,753	+2,669,173
Virgin Islands	10,03[illegible]	17,656	13,930	4,953	46,603	74,[illegible]	+ 28,032

THE BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

The process used to distribute the Basic Educational Opportunity Grants to the needy students of this country differs greatly from the state allotment formula system used for the campus-based student aid programs. To receive a B.E.O.G., a student must first complete an application form. This form asks a variety of information pertaining mostly to data about the family's income and assets. This form is sent to the federal government where it is passed through a standardized formula. A Student Eligibility Report is sent to each applicant. In this report is a number called the Eligibility Index. This report is forwarded by the applicant to the college he/she wishes to attend. The Financial Aid Office of that institution, using a table provided by the federal government, advises the student as to what the award will be. When the student actually enrolls in the college, the Student Eligibility Report is sent to the federal government and in return the college receives the amount for which the student was eligible.

It is important to point out that this is an entitlement program. Every student that is eligible for the program receives funds. The colleges simply act as agents for the federal government. The dollars follow the eligible student. If a Massachusetts student goes to college in Utah, the college in Utah receives the funds. It is a truly portable form

of financial aid. There are some important qualifications for eligibility for these funds, but for this study one of the most important limitations is that no student may receive more than one-half his/her costs from this program. For example, if the maximum B.E.O.G. award was $1,600 and a student's budget was for only $2,800, his/her maximum award would be $1,400. Thus students attending high-cost institutions do receive a little more money than those students attending the low-cost colleges.

Chart IV-M was constructed to show how the B.E.O.G. funds for 1978 were distributed between the states. Remember, each student could take his award to any college in the country so that the totals listed here represent actual expenditures in those states. The second column lists what percent each state's sum was of the total award nationally. Column 3 lists what the original state allotments were. In Column 4 are listed the results of multiplying the state percentages found in Column 2 by the total financial aid awarded nationally ($949,684,141). This would show what each state's award for the campus-based programs would have been if they had been distributed by the same state ratio as the B.E.O.G. awards. Column 5 lists the difference between the original awards and the results of this process.

The results of this process are startling, to say the least. Obviously, a drastic shift of funds would have occurred if this way of distributing funds had been utilized.

CHART IV-IM

State Allotments If the B.E.O.G. Formula was used for all Three Programs

	Total BEOG By State 1,572,773,035	Ea. St. as a % of Tot. (Column 1)	Orig. St. Allotment 949,684,141	Allot. if BEOG Percentage Was Used	Difference (4-3)
Alabama	36,803,719	.0234	16,542,067	22,272,609	+ 5,730,542
Alaska	562,246	.0004	759,851	379,778	- 380,073
Arizona	19,463,378	.0124	10,111,419	11,776,117	+ 1,664,698
Arkansas	15,921,769	.0101	7,414,522	9,591,810	+ 2,177,288
California	137,820,988	.0880	94,822,301	83,572,204	-11,250,097
Colorado	16,721,660	.0106	15,662,572	10,066,652	- 5,595,920
Connecticut	12,197,716	.0078	11,215,571	7,407,535	- 3,808,035
Delaware	2,805,251	.0018	2,209,409	1,709,431	- 499,978
Dist. of Col.	11,782,833	.0075	6,532,978	7,122,631	+ 589,653
Florida	53,317,090	.0339	25,553,697	32,194,292	+ 6,640,595
Georgia	30,896,762	.0196	16,280,277	18,613,809	+ 2,333,532
Hawaii	3,335,400	.0021	3,291,607	1,994,337	- 1,297,270
Idaho	3,909,337	.0025	3,560,072	2,374,210	- 1,185,862
Illinois	69,257,091	.0440	41,150,561	41,786,102	+ 635,541
Indiana	24,679,519	.0157	20,230,449	14,910,041	- 5,320,408
Iowa	15,678,618	.0100	14,034,111	9,496,841	- 4,537,270
Kansas	16,074,409	.0102	10,239,190	9,686,778	- 552,412
Kentucky	23,767,752	.0151	13,177,909	14,340,231	+ 1,162,322
Louisiana	35,628,110	.0227	16,378,496	21,557,830	+ 5,179,334
Maine	6,774,564	.0043	11,531,730	4,083,642	- 7,448,088
Maryland	24,530,723	.0156	15,149,220	14,815,073	- 334,147
Massachusetts	42,513,407	.0270	47,399,404	25,641,472	-21,757,932
Michigan	52,584,348	.0334	37,248,839	31,719,450	- 5,529,389
Minnesota	27,009,323	.0172	23,309,458	16,334,567	- 6,974,891
Mississippi	32,026,474	.0204	12,508,481	19,373,556	+ 6,865,075
Missouri	29,613,753	.0188	18,203,209	17,854,062	- 849,147
Montana	4,961,037	.0032	3,951,891	3,938,989	+ 912,302
Nebraska	9,738,629	.0062	6,656,920	5,888,042	- 768,818
Nevada	2,347,806	.0015	1,963,031	1,424,526	- 538,505
New Hampshire	4,593,676	.0029	7,592,234	2,754,084	- 4,838,150
New Jersey	38,182,176	.0243	20,692,170	23,077,325	+ 2,385,155
New Mexico	12,552,435	.0080	8,405,624	7,597,559	- 808,065
New York	190,541,688	.1210	75,786,215	114,911,781	+39,125,566
North Carolina	42,768,959	.0272	23,217,720	25,831,409	+ 2,613,689
North Dakota	5,572,789	.0035	5,403,526	3,323,894	- 2,079,632
Ohio	57,863,484	.0368	39,178,851	34,948,376	- 4,230,475
Oklahoma	24,459,695	.0156	12,453,528	14,815,073	+ 2,361,545
Oregon	17,597,038	.0112	20,518,664	10,636,462	- 9,882,202
Pennsylvania	69,085,522	.0439	43,157,726	41,691,134	- 1,466,592
Rhode Island	7,383,175	.0047	6,104,536	4,463,515	- 1,641,021
South Carolina	24,737,163	.0154	10,679,996	14,625,136	+ 3,945,140
South Dakota	7,798,676	.0050	6,494,869	4,746,421	- 1,746,448
Tennessee	34,259,127	.0218	16,946,836	20,703,114	+ 3,756,278
Texas	80,735,868	.0513	43,532,811	48,718,796	+ 5,185,985
Utah	6,164,159	.0039	6,619,890	3,703,768	- 2,916,122
Vermont	3,639,380	.0023	7,154,686	2,184,274	- 4,970,412
Virginia	25,854,017	.0164	17,041,537	15,574,820	- 1,466,717
Washington	20,529,999	.0131	20,593,260	12,440,862	- 8,152,398
West Virginia	9,283,149	.0059	7,942,311	5,603,136	- 2,339,175
Wisconsin	25,283,242	.0161	26,824,724	15,209,915	-11,534,809
Wyoming	1,705,389	.0011	1,672,338	1,044,653	- 627,685
Pacific Islands	1,414,341	.0009	551,013	854,716	+ 303,703
Puerto Rico	98,271,739	.0625	13,261,753	59,355,259	+ 46,093,506
Virgin Islands	338,191	.0002	74,635	189,939	+ 115,304

Puerto Rico, for example, would have received $46,093,506 in additional funds for an increase of 447 percent! New York would have received an additional $39,125,566; Mississippi $6,685,075; Florida $6,640,595; Alabama $5,680,542; Texas $5.185,985; and Louisiana $5,179,334. However, several states would have experienced great decreases. For example, Massachusetts would have lost $21,757,932; Wisconsin $11,534,809; California $11,250,097; Oregon $9,382,202; Washington $8,152,398; and Maine $7,448,088. The largest percentage losses would all occur in the north while the largest gains would occur in the south. The notable exception to that would occur in the state of New York.

Although this chart indicates exactly where the B.E.O.G. dollars are being spent by the students and thus give us an indication where the lowest income students are attending college, there is a serious drawback that must be considered if the idea of awarding all campus-based aid in this manner is to be considered. The B.E.O.G. program records where the lowest income students are attending college. However, the measure used is subject to some criticism. For example, although the families with the lowest dollar income may come from the southern states, when that income is adjusted for the cost of living, states such as Maine, New Hampshire, Vermont and others may, in fact, have a lower per capita disposable income. In other words, because of the higher cost of living in the northern states, the national B.E.O.G. formula used to measure economic

strength that is not adjusted for regional cost differences may, in fact, shift aid to students who are relatively better off. It is not the purpose of this study to supply the data necessary to prove the above, but this problem must be considered before the B.E.O.G. process is used as a basis for distributing all aid funds.

The other major concern in this process is that it only considers one part of the student financial need problem, that of family resources. It only deals in a small way with the problem of student budget. When you consider that financial need is measured in terms of budget minus family contribution equals financial need, the item of budget is extremely important. Again, it is not the purpose of this study to delve into that problem but only to point out that this area would need extensive study before the idea of distributing all of the campus-based aid based on this process should be considered.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

SUMMARY

This study was designed to determine whether or not the distribution system used to allocate to the states the funds appropriated by the Congress for the campus-based student financial aid programs was dividing these funds equitably among the neediest of students. In addition, several alternatives to the present distribution system were to be examined to determine their strengths and weaknesses and several charts were to be constructed to show what the results would have been if these alternatives had been implemented.

A number of ordered steps were followed in conducting this study and reaching the above objectives.

First, an extensive body of literature was studied to determine the historical roots of the current legislation. Each of these programs was examined to try to determine how and for what reason they were brought into existence. Because there has been remarkably little research done in this particular area, much of the study centered around original source documents. Although not intended to dwell extensively on the historical developments of student financial aid in America, the work done here was intended to give the reader some insights into why we have our current patchwork of legislation.

Secondly, a detailed examination was made of the current state allotment formulas. In this section was an explanation of how the present system works, how the state allotment formulas for each program differ from one another, the significance of the different factors that comprise the formulas, and finally a study of each formula's strengths and weaknesses. Although these formulas are absolutely critical to the distribution of student financial aid in the United States, they are not understood very well by most practicing financial aid personnel. It was the intention of this section to cover those formulas in great detail to help further this understanding.

Finally, in the preceding chapter several possible alternatives were examined in detail. The strengths and weaknesses of each of them were closely studied. This examination included the construction of several charts to illustrate what would have been the results if these alternatives had been implemented.

A number of delimitations and assumptions were observed throughout this study. These served to define the parameters of the work and are important guideposts necessary to a full understanding and assessment of the conclusions of the study. The reader is referred to the appropriate section of the first chapter and cautioned that they should be borne in mind while reading the conclusions and recommendations which follow.

CONCLUSIONS

The conclusions of this study fall into several categories. They will be presented in the following groupings:

1. Conclusions regarding the historical developments of these student aid programs and how those developments affect the present distribution system.

2. Conclusions regarding the present distribution process.

3. Conclusions regarding a number of alternatives examined in the preceding chapter.

4. Conclusions regarding the political process and student financial aid.

1. The historical development of the programs.

In reviewing the literature on this topic, it became apparent that the subject of student financial aid is surrounded by a great deal of oral history, but is not terribly rich in written documentation or research. It must be remembered, however, that this subject has only come under scrutiny in the last fifteen to twenty years. Although the G. I. Bill of World War II opened up the floodgates to post-secondary education, it was not until the 1960's that the question of access to higher education became a national issue of importance. With the passage of the National Direct Student Loan Program, the College Work/Study Program, the Educational Opportunity Grant Program, and later the Basic Educational Opportunity Grant Program, the federal government backed with a huge infusion of

dollars its commitment to the post-secondary education of the bright low-income students of this country.

These programs have made it possible for literally millions of young people to attend college that would never have been able to except for this financial commitment. But, along with this great influx of dollars came the problems associated with the equitable distribution of those funds. As the research in Chapter II illustrated, all of these programs were developed for a variety of reasons, some having to do with other than the questions of access to education by the poor. For whatever reasons, these programs have had the effect of making some form of post-secondary education available to almost every young person in America.

However, the reasons for the development of each program have influenced the formulas used for the distribution of the funds for that program. In the N.D.S.L. program, for example, the formula for allocation states that ". . . allocation to each State is based upon the number of students enrolled on a full-time basis in institutions of higher education in the State in proportion to the number of such students in the entire United States."[1]

The idea of the above formula was to simply divide the funds among the states in a proportion based on enrollments having nothing to do with the concept of "financial need".

However, the mood of the country had changed by the 1960's. Colleges were viewed as change agents for the society. The emphasis

---

[1] Notes and Working Papers, p. 29.

of student financial aid shifted toward providing access to college for low-income students and away from simply a mechanism for providing an educated work force in a particular vocational field. The College Work/Study Program formula reflected part of this shift. Representative Brademas of Indiana expressed that concern by saying that the ". . . use of the three factor formula for the distribution of funds will permit an equitable distribution of funds across the United States. The inclusion of a factor related to poverty . . . will ensure a concentration of work/study programs in those colleges and universities which enroll large numbers of students from low-income families, whether or not these families or the institutions are located in a poverty area."[2]

Although the research does not support Representative Brademas' statement that this formula would ". . . permit an equitable distribution of funds . . ." it does show that the Congress was becoming more interested in supporting with funds the idea of access.

The next student financial aid program, the Educational Opportunity Grant Program, was passed roughly one year later and was passed with the education of low-income students foremost in the minds of the bill's creators. The purpose of the program as stated in the law was to ". . . provide, through institutions of higher education, educational opportunity grants to assist in making available the benefits of higher education to qualified high school graduates

---

[2]Congressional Record, Vol. 110, part 15 (August 6, 1954), p. 18280.

of exceptional financial need, who for lack of financial means of their own or of their families would be unable to obtain such benefits without such aid."[3]

The odd thing about this bill was not the intent, but the formula that was passed with it for the distribution of the authorized funds. The formula has absolutely no financial need component in it. The funds are allocated to the states based on the number of ". . . persons enrolled full-time and the full-time equivalent of the number of persons enrolled part-time in institutions of higher education in such state bears to the total number of such persons in all states."[4]

The total accumulation of the several bills that were passed to make up our financial aid package were developed by accretion. Each program was passed at different times under different political climates for different reasons. Even though the programs are now aimed at roughly the same student population, their allotment formulas preclude an equitable distribution of the authorized funds from taking place. These state allotment formulas should be examined by Congress and changed to reflect the current Congressional intent for the expenditures of student aid funds.

2. The present state allocation process.

It has been the assumption from the beginning of this

---

[3]P.L. 89-329, sec. 401.

[4]Committee on Education and Labor, House of Representatives; Compilation of Higher Education Laws, 1972 (Washington, D.C.: U.S. Government Printing Office, 1972), pp. 58-59.

study that student financial need is measured by the equation:

Budget - Family Contribution = Financial Need

It has also been assumed that the federal financial aid dollars should be allocated in a way that assures that all needy students are treated equitably in the distribution of these scarce resources. There is no way one can escape the conclusion that the present system does not distribute the available funds in an equitable manner. In some of the programs a student, depending upon which state in which he attends college, could receive widely different financial aid packages even though his/her need was the same in each case.

For example, in the College Work/Study Program the research shows that a student in Louisiana would receive approximately ninety-five percent of his/her demonstrated need while that same student in Wyoming would receive only forty-five percent of his/her demonstrated need. In other words, students in one state receive over twice as much of their demonstrated need as do students in another simply because those students chose to attend colleges in that state. This is not equitable. Similar conditions exist in the other programs. The process does not insure that within certain practical limits students with similar financial need will be given similar financial aid.

3. Alternative distribution systems.

In Chapter III several alternative distribution systems were examined. For each alternative a chart was constructed to illustrate what the results would have been if that alternative

had been used to distribute the student aid for the campus-based programs. Joe L. McCormick, in a paper previously cited in this study, makes the recommendation that the College Work/Study program formula be used to distribute all of the funds for all of the programs. This study clearly demonstrates that although this formula has one component that tangentially deals with financial need, the other more important parts of the College Work/Study formula preclude an equitable distribution of funds from occurring.

The same conclusion can be reached about the National Direct Student Loan Program formula and the Initial Year portion of the Supplemental Educational Opportunity Grant Program formula. Any formula that only uses enrollment figures as the basis for the distribution of financial aid funds can only lead to an unequitable distribution of those funds.

However, the Continuing Year Supplemental Educational Opportunity Grant Program formula does have considerable merit and will be focused on later in this chapter.

4. The political process and student financial aid.

Since World War II, college enrollments have expanded in leaps and bounds. In the ten year period between 1965 and 1975, the population in college nearly doubled.[1] This rapid expansion was the result not only of the absolute increase in the college-age population as a result of the post-war baby boom, but was also the result of a whole new segment of our population attending college. In the four year span between 1970 and 1974, for example, there was a fifty-

---

[1] Chronicle of Higher Education, September 19, 1977.

six percent increase in black student enrollments alone. When this increase was combined with the increase in female enrollees, other minority enrollees, and a general increase in the percentage of traditional students attending college, the resulting total increases were staggering.[2]

The reasons for these increases were two-fold. First, higher education became a symbol of advancement in society. It became a goal that may have been inflated a little beyond its real owrth as a social equalizer, but none-the-less, the perception was and still is that education is one route of social change.

Secondly, a whole new way of financing post-secondary education came into being. As was early chronicled, the federal government, as a matter of national policy, poured literally billions of dollars into making access to higher education a real possibility to able students from the lowest of income families.

However, we are now facing a severe long-term recession in higher education. Even with expanded life-long learning programs several studies indicate that higher education in general is in for a hard time for a long period of time.[3]

Because we are about to experience a decline in enrollments, it is probably appropriate that a thorough review of the existing

---

[2]U. S. Bureau of the Census, "School Enrollment - Social and Economic Characteristics of Students: October 1974", Current Population Reports, Series P-20, No. 286. Washington, D.C.: U. S. Government Printing Office, 1975, pp. 4-6.

[3]Stephen P. Dresch, "Demography, Technology, and Higher Education: Toward a Formal Model of Educational Adaptation", Journal of Political Economy, 1975, Vol. 83, No. 3, pp. 535-569.

student financial aid programs be done now. We must make sure that our public investment in higher education is made wisely and that our funds do not go to shore up over the short run programs that will soon be obsolete. Before we embark on any new programs of aid we should understand as much as possible about what the future holds for us.

Over the next few years the question of whether the colleges serve the needs of the student or does the student serve the needs of the college will come into sharper focus. Each institution will be struggling for survival. It is important that our aid programs are structured in a way that insures as much as possible that the students receive the best and most appropriate education for him or her. Because our political process is so susceptible to pressure groups, it is important that educators and legislators keep the best interests of the students in mind. With that idea as the motivating factor, the institutions delivering the service will either adapt or not survive.

RECOMMENDATIONS

The overriding purpose of this study was to determine whether or not the campus-based financial aid presently being distributed to the financially needy students in this country was being done so in an equitable manner. The conclusion was reached that it was not. The following three recommendations are intended to improve that process.

1. The Continuing Year Supplemental Educational Opportunity Grant Program formula presently being used represents the best oractical alternative for the distribution of all of the campus-based student financial aid.

At the present time there is no formula mandated by law to cover the C.Y. S.E.O.G. Program. The previously cited current law simply states that the appropriation ". . . for any fiscal year shall be apportioned among the States in such manner as the Commissioner determines will best achieve the purposes for which such sums were appropriated."

In the past the Commissioner has chosen to implement this section of the law in the following manner. First, all of the recommended funding levels of all of the post-secondary institutions in the nation were added together. This sum was then divided by the appropriation passed by Congress for this program. The resulting percentage figure was what each institution was to receive of its recommended funding level. For example, in the 1977-78

award period that percentage was 53.360701. In other words, when all of the need was added up and it was divided by the funds available, each college received 53 percent of its requested amount. Chart IV-L-1 will give the reader the results if each State had been awarded all of its funds using this process.

In the most simple of terms it is the recommendation of this study that in a time of scarce resources, each state and each student insofar as possible should have an equal chance at receiving his/her fair share of those resources. If done in the manner suggested above every student would receive an equal share of his/her unmet need.

2. If the new legislation being written at this time is going to be simply a rehash of the present legislation, there are some language modifications that could be done that would assure a greater deal of equity in the programs. In that regard the reader is referred to Recommendations for Reauthorization of the Higher Education Act Title IV - Student Assistance.[5] This document was prepared by the National Association of Student Financial Aid Administrators and submitted to the various legislative bodies. It contains explicit language changes that the Association feels would help the legislation become more equitable.

3. The profession of financial aid has taken on increased

---

[5]National Association of Financial Aid Administrators, Recommendations for Reauthorization of the Higher Education Act Title IV - Student Assistance, NASFAA Monitor, Number 14, (Washington: NASFAA, February 15, 1979).

importance over the last few years. More and more colleges are coming to the realization that a large percentage of their funds are flowing into their coffers through student financial aid. Also, as the admissions crunch becomes more pronounced, student financial aid will be seen as a major tool for recruitment. However, because of the unique way these programs of aid come into being they can appear to be a bewildering morass to the student, guidance counselors, and others trying to help the student gain access to a college education.

The California Student Aid Commission stated this problem quite succintly.

> "There has been rapid, massive, and uncoordinated growth in the number, kind, and value of student aid programs provided by federal, state, institutional, and private donors. Between 1964 and 1974, the amounts of money available for the direct support of undergraduate students has increased by more than 1,000 percent. The number of major federal programs has grown from one to six, with four different delivery agents responsible for distributing their funds to students. The number of state funded programs has grown from one to seven, with five administered by the Student Aid Commission and two by the individual segments.
>
> "There have been two major consequences of this growth. First, and most important, there has been a major and significant expansion of the support available to financially needy students seeking postsecondary education. The goals of access, choice, and retention have come much closer to being realized, particularly by the State of California. Regardless of any other outcomes, this expansion of student support can only be considered a major achievement.
>
> "The second consequence of growth, however, is not as positive. The uncontrolled and uncoordinated expansion of the purposes, sources, types and selection processes of aid has produced massive confusion in the minds of students, parents, school counselors, policy makers,

> and if the truth were known, in the minds of the program administrators themselves. That confusion has grown to the point where it is beginning to have a negative effect on the continued realization of the goals of equality of access, choice, and retention. Because of the complicated processes, a large number of needy students are failing to apply for and receive sufficient financial support. Public funds, both for program and for program administration, are not being used in the most effective ways. Public confidence that aid is being directed toward those who need it could be eroded unless better procedures for delivering aid are adopted."[4]

It is obvious that the present system of distribution needs to be re-examined to insure that the funds are being expended in a manner that best meets the needs of the low and middle-income students of this country. It is hoped that this study has helped in some small way to advance that goal.

---

[4]California Student Aid Commission, Master Plan for the Administration and Coordination of Publicly Funded Student Aid in California, Final Report, Phase II, (Sacramento, California, December 1976), p. 1.

BIBLIOGRAPHY

Alchian, A. A., and Allen, W. R. "What Price Zero Tuition?" The Michigan Quarterly Review. Vol. 7, Fall 1968. pp. 269-272.

Alden, Vernon, et. al. Student Financial Aid and Institutional Purpose. Princeton, N. J.: College Entrance Examination Board, 1963.

American Council on Education. Federal Programs for Higher Education: Needed Next Steps. Washington, D. C., 1969.

Arbolino, Jack N. New Teaching, New Learning. G. Kerry Smith, ed. London: Jossey-Bass, 1971.

Atelsek, Frank, and Gomberg, Irewel. Student Assistance: Participants and Programs 1974-5. Washington, D. C.: American Council on Education, 1975.

Bender, Wilbur J. "Our Student Aid Patchwork Needs Drastic Revision." Student Financial Aids and National Purpose. Princeton: College Entrance Examination Board, 1962.

Bowen, Howard R. The Finance of Higher Education. Berkeley: Carnegie Commission on Higher Education, 1968.

Brademas, John. "The Financial Crisis in American Higher Education." Journal of Student Financial Aid. Vol. 1, May 1971. pp. 26-52.

Braun, Robert J. "New Jersey's Free Market Plan." Change. Vol. 8, August 1976. pp. 18-21.

Brubacher, John S., and Willis, Rudy. Higher Education in Transition: A History of American Colleges and Universities, 1636-1976. 3rd ed. New York: Harper and Row, 1976.

Byrnes, J. C., and Tussing, A. D. The Financial Crisis in Higher Education: Past, Present, and Future. Syracuse: Syracuse University Research Corporation, 1971.

California Student Aid Commission. Master Plan for the Administration and Coordination of Publicly Funded Student Aid in California, Final Report, Phase II. Sacramento: Dec. 1976.

Calkins, Robert D. "Government Support of Higher Education." Financing Higher Education, 1960-1970. New York: McGraw-Hill, 1959.

Carnegie Commission. A Chance to Learn: An Action for Equal Opportunity in Higher Education. New York: McGraw-Hill, 1970.

Carnegie Commission. Higher Education: Who Pays, Who Benefits, Who Should Pay? New York: McGraw-Hill, 1973.

Carnegie Commission. Quality and Equality: New Levels of Federal Responsibility for Higher Education. New York: McGraw-Hill, 1968.

Carnegie Foundation for the Advancement of Teaching. Federal Programs in Higher Education, Summary of a Discussion by the Trustees. Reprint from the 1956-57 Annual Report.

Carnegie Foundation for the Advancement of Teaching. The Federal Role in Postsecondary Education. San Francisco: Josey-Bass, 1975.

Cartter, Allan M. New Approaches to Student Financial Aid. New York: College Entrance Examination Board, 1971.

Cartter, Allan M. "Student Financial Aid." Universal Higher Education: Cost and Benefits. Washington, D. C.: American Council on Education, 1971.

Chambers, Merritt Madison. Higher Education: Who Pays? Who Gains? Financing Education Beyond High School. Danville, Illinois: The Interstate Printers and Publishers, Inc., 1968.

The Chronicle of Higher Education. Sept. 19, 1977.

Committee on Education and Labor, House of Representatives. Compilation of Higher Education Laws, 1972. Washington, D. C.: U. S. Government Printing Office, 1972.

de Tocqueville, Alexis. Democracy in America. New York: Random House, 1945.

DeVane, William Clyde. Higher Education in Twentieth Century America. Cambridge: Harvard University Press, 1965.

Dobbins, Charles G. Higher Education and the Federal Government: Programs and Problems. Washington, D. C.: American Council on Education, 1962.

Doerman, Humphrey. Toward Equal Access. New York: College Entrance Examination Board, 1978.

Dresch, Stephen P. "Demography, Technology, and Higher Education: Toward a Formal Model of Educational Adaptation." Journal of Political Economy. 1975, Vol. 83, No. 3.

Eddy, Edward Danforth, Jr. Colleges for Our Land and Time: The Land Grant Idea in American Education. New York: Harper and Brothers, 1956.

Finn, Chester E., Jr. "The National Foundation for Higher Education: Death of an Idea." Change. Vol. 4, March 1972.

Ford, L. C. "Institutional Aid." Journal of Law. Vol. 1, October 1972. pp. 541-586.

Furniss, W. Todd, ed. Higher Education for Everybody? Washington, D. C.: American Council on Education, 1971.

Gladieux, Lawrence E., and Wolanin, Thomas. Congress and the Colleges. Lexington: Lexington Books, 1976.

Harris, Seymour E., ed. Higher Education in the United States: the Economic Problems. Cambridge: Harvard University Press, 1960.

_____. How Shall We Pay for Education? Approaches to the Economics of Education. New York: Harper & Brothers, 1948.

Harris, Seymour and Levensohn, Alan, eds. Education and Public Policy. Berkeley: McCutchan Pub. Corp., 1965.

Hartman, R. W. Higher Education Subsidies: An Analysis of Selected Programs in Current Legislation. Washington: The Brookings Institution, 1972.

Heller, Walter. Chairman of the Council of Economic Advisors. Speech at Indiana State College, Indiana, Pa. March 25, 1965.

Hofstadter, Richard, and Smith. Wilson, eds. American Higher Education: A Documentary History, Vol. II. Chicago: Press, 1961.

Hollinshead, Byron S. Student Financial Aid and National Purpose. New York: College Entrance Examination Board, 1962.

Hughes, John F., ed. Education and the State. Washington, D. C.: American Council on Education, 1975.

Humphrey, Hubert. Speech given at Tampa, Florida, August 25, 1962. Congressional Record. Vol. 111, part 17.

Keezer, Dexter M., ed. Financing Higher Education 1960-70. New York: McGraw-Hill, 1959.

Levin, H. M. "Vouchers and Social Equity." Change. Vol. 5, October 1973. pp. 29-33.

Marmaduke, Arthur S. "What Part the States Should Play in Student Aid." Student Financial Aid and National Purpose. Princeton: College Entrance Examination Board, 1962.

Mathematica, Inc. Enrollment and Financial Aid Models for Higher Education, Phase II, Final Report. Bethesda: Mathematica, Inc., 1971.

McCormick, Joe L. "Public Policy with Regard to the Need for Federal Financial Assistance to College Students: An Examination of the Allotment of Federal Dollars to Several States in the National Direct Student Loan Program, the Supplemental Educational Opportunity Grant Program, and the College Work-Study Program." Masters of Arts Thesis. Mississippi State University, 1975.

Millett, J. D. "Who Should Pay?" Journal of Higher Education. Vol. 3, October 1972. pp. 509-516.

Moon, Rexford G., Jr. Student Financial Aid in the United States: Administration and Resources. Princeton: College Entrance Examination Board, 1963.

Moynihan, Daniel P. "The Impact on Manpower Development and Employment of Youth," Universal Higher Education. Earl J. McGrath, ed. New York: Mc-Graw Hill, 1966.

National Association of Financial Aid Administrators. "Recommendations for Reauthorization of the Higher Education Act Title IV--Student Assistance." N.A.S.F.A.A. Monitor. Number 14, Feb. 15, 1979.

New York Times. Jan. 22, 1959. Reprinted in Congressional Record, Vol. 105. March, 1959.

O'Connell, Thomas E. Community Colleges: A President's View. Chicago: University of Illinois Press, 1968.

Pifer, Alan. "Toward a Coherent Set of National Policies for Higher Education." Speech to Annual Meeting of the Association of American Colleges, Jan. 16, 1968.

Potter, David A., and Sidar, Alexander G., Jr. No-Need/Merit Awards. New York: College Entrance Examination Board, 1978.

The President's Commission on Veterans Pensions. Veterans Benefits Administered by Departments and Agencies of the Federal Government: Digest of Laws and Basic Statistics, 1954. Washington, D. C.: U. S. Government Printing Office, 1954.

President's Science Advisory Committee. Education for the Age of Science. Washington, D. C.: U. S. Government Printing Office, 1959.

P. L. 85-864. National Defense Education Act of 1958. 1958.

P. L. 89-329. The Higher Education Act of 1965. 1965.

Reisman, David. "The Future of Higher Education in a Time of Retrenchment." Higher Education. Vol. 4, 1975.

Rever, Philip R. Open Admissions and Equal Access. Iowa City, Iowa: American College Testing Program, 1971.

Rice, Lois D., and Gladieux, Lawrence. Title IV of the Higher Education Act: A Technical Analysis of Six Student Financial Aid Programs. Washington: College Entrance Examination Board, 1974.

Rippa, S. Alexander, ed. Educational Ideas in America: A Documentary History. New York: David McKay Company, Inc., 1969.

Rivlin, Alice. Toward a Long-Range Plan for Federal Financial Support for Higher Education. Washington, D. C.: U. S. Government Printing Office, Jan. 1969.

Roark, Anne C. "Federal Student Aid and How it Grew." The Chronicle of Higher Education. October 11, 1977.

Roark, Anne C. "Playing the Student Aid Game." The Chronicle of Higher Education. October 17, 1977. pp. 6-7.

Roose, K. D. "Aid to Students or to the Institutions." Educational Record. Vol. 51, Fall 1970. pp. 356-67.

Rudolph, Frederick. The American College and University. New York: Vintage Books, 1962.

_____. "The Origins of Student Aid in the United States." Student Financial Aid and National Purpose. Princeton: College Extrance Examination Board, 1962.

Ruml, Beardsley, and Morrison, Donald H. Memo to a College Trustee. New York: McGraw-Hill, 1959.

Schlesinger, Arthur M., Jr. A Thousand Days. New York: Houghton Miflin, 1965.

Sidar, A. G., Jr. "The Need for Reform in Financing Higher Education." College Board Review. No. 84, Summer 1972. pp. 8-10.

Sorensen, Theodore C. Kennedy. New York: Harper and Row, 1965.

Sundquist, James C. Politics and Policy: The Eisenhower, Kennedy, and Johnson Years. Washington, D. C.: The Brookings Institution, 1968.

Thompson, Jay C., Jr. A History of the Serviceman's Readjustment Act and Its Effect Upon Education in Indiana. Ph.D. dissertation, Ball State University, 1969.

U. S. Bureau of the Census. "School Enrollment - Social and Economic Characteristics of Students: October 1974." Current Population Reports, series P-20, No. 286. Washington, D. C.: U. S. Government Printing Office, 1975.

U. S. Congress. Joint Economic Committee. The Economics and Financing of Higher Education in the United States: A Compendium of Papers. 91st Congress, 1st Session. Washington, D. C.: U. S. Government Printing Office, 1969.

U. S. Congress, Senate Committee on Labor and Public Welfare, Subcommittee on Education. Notes and Working Papers Concerning the Administration of Programs Authorized Under Student Financial Assistance Statutes. 90th Congress, 2nd Session. Washington, D.C.: U. S. Government Printing Office, 1968.

U. S. Department of Health, Education, and Welfare; Office of Education; Division of Student Financial Aid; Educational Opportunity Grant Branch. E. O. G. Administrative Memorandum No. 1. March 17, 1966.

U. S. Department of Health, Education, and Welfare; Office of Education; Division of Student Financial Aid; Work-Study Branch. Guidelines for Determining Student Eligibility Under Low-Income Criterion. Washington, D. C.: U. S. Government Printing Office, Dec. 9, 1964.

United States Office of Education, H.E.G.I.S. Financial Statistics of Institutions of Higher Education, 1951-52. Washington, D. C.: U. S. Government Printing Office, 1952.

Walker, Charles E. Testimony before the Special Subcommittee on Education and Labor, U. S. House of Representatives. April 19, 1967.

Wilson, Woodrow. Congressional Government. Cleveland: World Publishing Company, 1961.

20 U.S.C. 1087 b.b. Enacted June 23, 1972. P.C. 92-318, sec. 137(b), 86 Stat. 273,274.